

Frequently Asked Questions Series 8 (Released on 28 November 2008/ Last Updated ~~on 1 March 2019~~ in February 2020)

Rule Amendments relating to the 2008 Combined Consultation

Status of “Frequently Asked Questions”

The following frequently asked questions (FAQs) are designed to help issuers ~~to~~ 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. Please ~~C~~contact the Listing Division at the earliest opportunity with any queries.

No.	Main Board Rules	GEM Rules	Query	Response
1 <i>Issue-1</i>	2.07A(2A)	16.04A(2A)	<p>How should listed- issuers manage the 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>	<p>Good shareholders' database management by 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 <u>However</u>, a shareholder cannot be deemed to have consented to any <u>consent</u> request for consent from the listed issuer sent for the purposes of the "deeming procedure" <u>(i.e. the procedure under Main Board Rule 2.07A(2A) (GEM Rule 16.04A(2A))</u> 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. <u>[Updated in February 2020]</u></p>

No.	Main Board Rules	GEM Rules	Query	Response
2 Issue-1	2.07A(2A)	16.04A(2A)	Where a shareholder disposes of all his shares in a listed issuer and ceases to be a shareholder but subsequently becomes a shareholder again with the acquisition of some shares, can the listed issuer rely <u>act up on</u> any consent previously given or deemed <u>by this shareholder</u> ?	No. <u>A consent from a shareholder is only valid if it is given after acquiring the shares. For the sake of certainty and consistency,</u> t he shareholder will need to be treated as a new shareholder <u>and the issuer.</u> He must be send hard copies of all corporate communications <u>to him</u> unless and until <u>a new fresh consent from him the shareholder</u> is expressly given or deemed. <u>[Updated in February 2020]</u>
3 Issue-1	(FAQ withdrawn on 31 December 2009)			
4 Issue-1	2.07A(2A)	16.04A(2A)	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.
5 Issue-1	2.07A(2A)(d)	16.04A(2A)(d)	New Main Board Rule 2.07A(2A)(d) (GEM Rule 16.04A(2A)(d)) <u>requires</u> the listed issuer to notify intended recipients of corporate communications made available on its website only of the presence of the	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. 1. Shareholders who reply that they wish to

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			<p>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>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.</p> <p>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 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 offer.)</p>

No.	Main Board Rules	GEM Rules	Query	Response
<p>6 Issue-1</p>	<p>2.07A(2A) 2.07B</p>	<p>16.04A(2A) 16.04B</p>	<p>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.</p> <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>	<p><u>Yes.</u> 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).</p> <p>If an issuer is not sure whether its arrangement is adequate, the issuer should consult the Exchange.</p> <p>(Updated 13 March 2009)</p>
<p>7 Issue-8</p>	<p>2.07C(3) 13.25A</p>	<p>16.18(2) 17.27A</p>	<p>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?</p>	<p>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</p>

No.	Main Board Rules	GEM Rules	Query	Response
				Return both a share buyback and some other type of change in its issued share capital should choose both “Share Buyback” and “Others”.
8 Issue 8	2.07C(3) 17.06A	16.18(2) 23.06A	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”.
9 Issue 17	(FAQ relocated to Series 17 No. 11D on 28 December 2018)			
10 Issue 3	(FAQ withdrawn on 28 December 2018)			
11 Issue 3	(FAQ withdrawn on 30 September 2009)			
12 Issue 3	(FAQ relocated to Series 17 No. 24E on 28 December 2018)			
13 Issue 4	3A.07, Appendix 17 to the Rules	6A.07, Appendix 7K to the Rules	(FAQ Withdrawn in February 2020)	<p>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.</p> <p>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.</p>

No.	Main Board Rules	GEM Rules	Query	Response
14 Issue 4	3A.09, Appendix 17 to the Rules	6A.09, Appendix 7K to the Rules	What should the sponsor do if there is a change in circumstances rendering the sponsor no longer independent after filing the listing application?	<p>(Updated on 3 September 2013)</p> <p>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, tThe sponsor and the new applicant must notify the Exchange as soon as possible. <u>It should be noted if the change results in the applicant not having at least one sponsor that is independent under Main Board Rule 3A.07 (GEM Rule 6A.07), it must appoint a new independent sponsor and pursuant to Main Board Rule 3A.02B (GEM Rule 6A.02B), the applicant can resubmit its listing application no less than two months from the date such new independent sponsor is formally appointed.</u></p> <p>[Updated in February 2020](Updated on 3 September 2013)</p>
15 Issue 6	8.08(2) 8.08(3)	11.23(3)(b)(ii) 11.23(8)	<u>If a listed issuer has high shareholding concentration, The requirement for a minimum spread of securities holders at the time of listing will not be applicable to a its</u> bonus issue of a new class of securities involving options, warrants or similar rights to subscribe or purchase shares <u>will be subject to the minimum spread of securities holders requirement.</u>	<u>A listed issuer is considered to have high shareholding concentration if it has published The Exchange would make reference to relevant 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 or SFC has published example, relevant press releases on the issuer, issued by the SFC during the <u>5five</u> years <u>period</u> immediately preceding the date of the <u>issuer's</u></u>

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			<p>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 <u>How does the Exchange consider/determine whether the issuer has that there may be a high concentration of shareholding concentration for this purpose?</u></p>	<p>announcement on the proposed bonus issue. <u>[Updated in February 2020]</u></p>
<p>16 Issue 17</p>	<p>9.11(3b) 9.11(38)</p> <p>Form B/ H/ I in Appendix 5</p>	<p>12.23(2b) 12.26(9)</p> <p>Form A/ B/ C in Appendix 6</p>	<p>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? <u>(FAQ Withdrawn in February 2020)</u></p>	<p>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 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.</p> <p>(Updated on 3 September 2013)</p>
<p>17 Issue 7</p>	<p>10.06(1)(b)</p>	<p>13.08 Note 2</p>	<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</p>	<p>Main Board Rules 10.05 and 10.06/ <u>(-GEM Rules 13.03 to 13.14)</u> set out the restrictions and notification requirements on share repurchases by listed issuers, including the specific disclosure requirements for an</p>

No.	Main Board Rules	GEM Rules	Query	Response
			<p>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>	<p>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.</p>
<p>18 Issue 8</p>	<p>13.09 13.25A 13.25B</p>	<p>17.10 17.27A 17.27B</p>	<p>(FAQ Withdrawn in February 2020) When should Monthly Returns and Next Day Disclosure Returns be submitted?</p>	<p>Monthly Returns can be submitted at anytime 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>

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				<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 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.</p> <p>(Last updated 2 January 2013)</p>
<p>19 Issue 8</p>	<p>13.25A 13.25B</p>	<p>17.27A 17.27B</p>	<p><u>Where can an issuer find the templates of the various Monthly Returns and Next Day Disclosure Returns, and how to submit them?</u></p>	<p>Templates of 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 in MS Word format can be downloaded from the ESS website. —for completion offline. The completed form, in either PDF or MS Word format, should then be submitted via ESS as an attachment. [Updated in February 2020]</p>
<p>20 Issue 8</p>	<p>13.25A 13.25B see also: 2.07C(4)(b)</p>	<p>17.27A 17.27B see also: 16.03</p>	<p><u>Are Will-listed issuers be required to submit both English and Chinese versions of Next Day Disclosure Returns and Monthly Returns?</u></p>	<p>Yes. A listed issuer must submit both an English and a Chinese version of the Next Day Disclosure Return and Monthly Return through ESS.</p>
<p>21 Issue 8</p>	<p>13.25A 13.25B</p>	<p>17.27A 17.27B</p>	<p>Can a listed issuer submit its Monthly Returns or Next Day Disclosure Returns by means</p>	<p>No. A listed issuer must submit its Monthly Returns and Next Day Disclosure Returns through ESS.</p>

No.	Main Board Rules	GEM Rules	Query	Response
			other than ESS, such as email, fax or mail?	
22 Issue 8	(FAQ withdrawn on 30 September 2009)			
23 Issue 8	(FAQ withdrawn on 1 March 2019)			
24 Issue 8	13.25A(2)(a)(vii)	17.27A(2)(a)(vii)	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><u>No.</u> 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 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.</p> <p>(Updated 7 March 2011)</p>

No.	Main Board Rules	GEM Rules	Query	Response
25 Issue 8	13.25B	17.27B	<p>(FAQ Withdrawn in February 2020) 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>	<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).</p>
26 Issue 8	13.25B	17.27B	<p>Is section I of the Monthly Return (Movement in Authorised Share Capital) applicable to PRC issuers which do not have authorised share capital?</p> <p>Are <u>PRC issuer</u>they required to disclose movements in domestic shares/ A shares in section II of their Monthly Return (Movements in Issued Share Capital)?</p>	<p><u>No.</u> Section I of the Monthly Return is not applicable to PRC issuers <u>which do not have authorised share capital.</u></p> <p>Each issuer is required to disclose in its Monthly Return the movement in its equity securities, debt securities and any other securitised instruments during the month. <u>Yes.</u> PRC issuers are therefore required to disclose <u>in section II of the Monthly Return</u> the movements in their H shares as well as any other classes of shares (e.g. domestic shares and A shares) in section II.</p> <p>[Updated in February 2020](Updated 13 March 2009)</p>

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27 Issue 8	13.25B	17.27B	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 Issue 9	13.28 17.06A see also:- 13.25A 13.25B 13.25C	17.30 23.06A see also:- 17.27A 17.27B 17.27C	<p>(FAQ Withdrawn in February 2020)A listed issuer has adopted a share option scheme pursuant to Chapter 17 of the Main Board Rules/ Chapter 23 of the GEM Rules.</p> <p>Is the listed issuer required to comply with Main Board Rule 13.28/ GEM Rule 17.30 in the following circumstances:</p> <p>the granting of an option by the listed issuer under the share option scheme; and</p> <p>a person exercising the option granted to him under the share option scheme?</p>	<p>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.</p> <p>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, 13.25B and 13.25C/ GEM Rules 17.27A, 17.27B and 17.27C.</p> <p><i>Note: Updated in March 2019</i></p>
29 Issue 9	13.28 see also: 13.25A 13.25B 13.25C	17.30 see also: 17.27A 17.27B 17.27C	A listed issuer proposes a placing of warrants, <u>which carry rights to subscribe new shares in the listed issuer</u> , for cash consideration under a specific mandate. The listed issuer will issue an announcement for such proposed	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. <u>In the present case</u> As such, the listed issuer <u>should issue an announcement</u> must comply with the Rule as soon as it enters into the agreement for placing

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			<p>placing pursuant to Main Board Rule 13.28/ GEM Rule 17.30.</p> <p>The warrants carry rights to subscribe new shares in the listed issuer. Is <u>How should</u> the listed issuer required to comply with <u>the disclosure obligation under</u> 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?</p>	<p>the warrants. The Rule does not apply upon exercise of the subscription rights of the warrants by the warrant holders. Nevertheless, However, the listed issuer is reminded of the disclosure obligations under Main Board Rules 13.25A, 13.25B and 13.25C/ GEM Rules 17.27A, 17.27B and 17.27C.</p> <p><u>[Updated in February 2020]</u></p>
<p>30 Issue 9</p>	<p>13.28(12)</p>	<p>17.30(12)</p>	<p>A listed issuer proposes a placing of new shares for cash consideration using its general mandate.</p> <p>Main Board Rule 13.28(12)/ GEM Rule 17.30(12) requires the listed issuer to disclose <u>What “details of the general mandate” is the issuer required to disclose</u> in the announcement <u>under Main Board Rule 13.28(12) (GEM Rule 17.30(12)).</u> What are the details that need to be disclosed?</p>	<p>The information to be disclosed by the listed issuer under this Rule should demonstrate that the general mandate is sufficient to cover the number of new shares to be issued under the placing. It should <u>contain disclose information such as:</u> (i) the date of the general meeting approving the general mandate; and information that demonstrates the general mandate is sufficient to cover the number of new shares to be issued under the placing, <u>such as:</u> (i) (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> <p><u>[Updated in February 2020]</u></p>
<p>31 Issue 9</p>	<p>13.29</p>	<p>17.30A</p>	<p>If a listed issuer proposes to place new shares under a general</p>	<p>Yes, or alternatively it may issue a separate announcement to disclose the information</p>

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			<p>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>	<p>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 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.</p>
<p>32 Issue 14</p>	<p>13.36(4)(a)</p>	<p>17.42A</p>	<p>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) (GEM Rule 17.42A)?</p>	<p><u>No.</u> Main Board Rule 13.36(4)(a)/ (GEM Rule 17.42A) is not applicable to the refreshment of the General Property Acquisition Mandate.</p>
<p>33 Issue 12</p>	<p>(FAQ withdrawn on 1 April 2015)</p>			
<p>34 Issue 12</p>	<p>(FAQ withdrawn on 30 September 2009)</p>			

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35 Issue 7	13.51(1)	17.50(1)	<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) and 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 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>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 proposed amendments are customary or a common feature of the articles of association of companies listed in Hong Kong.</p>
36 Issue 17	13.51(2) Form B/ H in Appendix 5	17.50(2) Form A/ B in Appendix 6	<p>Is a director of a listed issuer required to execute<u>sign</u> a new declaration and undertaking <u>form ("DU Form(s))" in the case of a if he is or is proposed to be re-designated</u>ion of directorship from <u>an</u> executive director to <u>a</u> non-executive director, or vice-versa?</p>	<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-</p>

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				<p>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. [Updated in February 2020]</p>
<p>37 Issue 13</p>	<p>13.51(2)(c)</p>	<p>17.50(2)(c)</p>	<p>Please clarify the requirement of what -“professional qualification” under <u>Main Board Rule 13.51(2)(c)/GEM Rule 17.50(2)(c) refers to.</u></p>	<p>Professional qualification under Main Board Rule 13.51(2)(c)/ GEM Rule 17.50(2)(c)It refers to a qualification in respect of a professional discipline, for example law, accounting, engineering, architecture, surveying or medicine. It also includes any professional title and membership of a professional body. [Updated in February 2020]</p>
<p>38 Issue 7</p>	<p>13.52(2)</p>	<p>17.53(2)</p>	<p>Main Board Rule 13.52(2)/ GEM Rule 17.53(2) sets out the types of announcements that require pre-vetting. Will the Exchange review As for other types of announcements submitted by, can a listed issuer submit a draft to the Exchange for review before publication that are not subject to the pre-vetting requirement under Main Board Rule 13.52(2) (GEM Rule 17.53(2))?</p>	<p>No, Thethe Exchange will not accede to a listed issuer’s request to pre-vet itssuch announcement unlesssave in exceptional circumstances. Nevertheless theAn 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. [Updated in February 2020]</p>
<p>39 Issue 7</p>	<p>13.52(2)</p>	<p>17.53(2)</p>	<p>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</p>	<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</p>

No.	Main Board Rules	GEM Rules	Query	Response
			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?	submit it to the Listing Division not later than the publication of the announcement. 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.
40 <i>Issue 7</i>	13.52A	17.53A	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.
40A <i>Issue 1</i>	13.56	17.60	How <u>could an issuer send hard copies of its corporate communicates to will an investor whose shares are held in the Central Clearing and Settlement</u>	“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

No.	Main Board Rules	GEM Rules	Query	Response
			<p>System (“CCASS”) either directly or indirectly through a broker or custodian (“CCASS Investors”), as such holds his shares in the issuer were held through the Central Clearing and Settlement System (“CCASS”), i.e. he holds his shares in the name of HKSCC Nominees Limited and the his names of CCASS Investors does not appear on the issuer’s register of members, (“CCASS investor”), receive corporate communications from the issuer?</p>	<p>17.60 require an issuer, as soon as practicable following a request to Hong Kong Securities Clearing Company Limited (“HKSCC”) and at the 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. Therefore, whenever aAn issuer publishes a corporate communication, it can <u>post on its website send to all these CCASS investors</u> a notification of the publication of a corporate communication on its website together with a request form. If aA CCASS investor <u>who</u> wishes to receive a hard copy of the corporate communication, the CCASS investor should<u>would need to</u> 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<u>can</u> then send the CCASS investor a hard copy free of charge.</p> <p>We would expect issuers to<u>should</u> have in place an arrangement to anticipate<u>track</u> the preference of CCASS iinvestors that requested a hard copy in response to a previous notification. This arrangement should<u>to</u> ensure, on a best efforts basis, that these CCASS iinvestors <u>who have previously indicated their preferences to receive are in future sent</u> hard copies of corporate</p>

No.	Main Board Rules	GEM Rules	Query	Response
				<p>communications without <u>do not</u> have <u>ing</u> to complete and return a request form for every corporate communication, unless they <u>have at one time</u> ceased to <u>be shareholder</u> <u>have holdings in that particular of the</u> issuer.</p> <p>Arrangements which a GCASS investor may have with his or its broker should not be affected.</p> <p><u>[Updated in February 2020]</u>(Updated 31 December 2009)</p>
<p>41 Issue 10</p>	<p>14.04 14.29</p>	<p>19.04 19.29</p>	<p>If a listed subsidiary issues new shares by way of a general mandate to acquire assets, what are <u>the</u> <u>notifiable</u> <u>transaction</u> implications for the listed parent?</p>	<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>

No.	Main Board Rules	GEM Rules	Query	Response
42 Issue 10	14.04 14.29	19.04 19.29	<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, 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>
43 Issue 7	14.23A, 14A.84, 14A.85, 14A.86	19.23A, 20.82, 20.83, 20.84	An issuer must now seek guidance from the Exchange on the application of the aggregation rules under certain specified circumstances before it enters into	<p><u>No.</u> The purpose of the new Rules is to <u>help provide guidance to</u> issuers to comply before entering into the transaction. Since the <u>c</u>ircumstances in (a) and (b) do not involve any risk of non-compliance with the Rules,</p>

No.	Main Board Rules	GEM Rules	Query	Response
			<p>any proposed notifiable transactions or connected transactions. <u>Should</u> an issuer need to consult the Exchange <u>under Main Board Rule 14.23B (GEM Rule 19.23B)</u> if:</p> <p>(a) <u>the</u> 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) <u>the</u> 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 transaction when aggregated?</p>	<p>prior consultation with the Exchange is not required. <u>[Updated in February 2020]</u></p> <p><i>Notes:</i></p> <p>1. Updated in March 2009.</p> <p>2.1. Rule reference updated in July 2014.</p>
44 Issue 7	(FAQ withdrawn on 2 July 2010)			
45 Issue 16	14.67A(1)	19.67A(1)	Are listed issuers required to obtain prior consent from the Exchange in order to defer complying with the disclosure requirements in the initial circular?	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. Issuers are also encouraged to consult the Exchange at the earliest

No.	Main Board Rules	GEM Rules	Query	Response
				opportunity.
46 Issue 16	14.67A	19.67A	(FAQ withdrawn in February 2020) 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.
47 Issue 14	(FAQ withdrawn on 1 February 2011)			
48 Issue 14	(FAQ withdrawn on 1 July 2014)			
49 Issue 8	17.06A	23.06A	Should the announcement be made when a share option is granted or when it is accepted?	Main Board Rule 17.06A/ (GEM Rule 23.06A) requires an issuer to publish an announcement 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. (Updated 13 March 2009)
50-54	DU Forms – General questions			

No.	Main Board Rules	GEM Rules	Query	Response
50 Issue-17	Form B/ H/ I in Appendix 5	Form A/ B/ C in Appendix 6	(FAQ withdrawn in February 2020) 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> <p>For listing applicants: http://www.hkex.com.hk/issuer/nla/guidelines.htm;</p> <ul style="list-style-type: none"> For listed issuers: http://www.hkex.com.hk/listing/epp/cft-MB.htm for Main Board; http://www.hkex.com.hk/listing/epp/cft-GEM.htm for GEM; <p>and ESS before the implementation date.</p>
51 Issue-17	Form B/ H/ I in Appendix 5	Form A/ B/ C in Appendix 6	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>Yes. 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<u>Based on the</u> 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</p>

No.	Main Board Rules	GEM Rules	Query	Response
				<p>suitability to act as a director [or supervisor] of the issuer.” A <u>a</u> 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. <u>[Updated in February 2020]</u></p>
<p>52 Issue-17</p>	<p>Form B/ H/ I in Appendix 5</p>	<p>Form A/ B/ C in Appendix 6</p>	<p>Where a person is appointed a director or supervisor by more than one listed issuer, is he required to submit a DU Form for each listed issuer appointing him?</p>	<p>Yes. The director or supervisor must submit a DU Form for each listed issuer appointing him.</p> <p><i>Note: Updated in March 2019</i></p>
<p>53 Issue-17</p>	<p>Form B/ H/ I in Appendix 5</p>	<p>Form A/ B/ C in Appendix 6</p>	<p>(FAQ withdrawn in February 2020) Can the certification of the signature of a director or supervisor in 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?</p>	<p>Such certification is not required under the Listing Rules.</p> <p><i>Note: Updated in March 2019</i></p>
<p>54 Issue-17</p>	<p>Form B/ H/ I in Appendix 5</p>	<p>Form A/ B/ C in Appendix 6</p>	<p>Does the Exchange accept faxed copies of the executed DU Forms?</p>	<p>No. The Exchange only accepts the signed original of the executed DU Forms.</p> <p><i>Note: Updated in March 2019</i></p>
<p>55</p>	<p>(FAQ withdrawn on 30 September 2009)</p>			
<p>56-58</p>	<p><u>DU Forms- transitional arrangements for listed issuers</u></p>			

No.	Main Board Rules	GEM Rules	Query	Response
56	(FAQ withdrawn on 1 April 2015)			
57	(FAQ withdrawn on 1 April 2015)			
58	(FAQ withdrawn on 1 April 2015)			
59 <i>Issu e-17</i>	Form B/ H/ I in Appendix 5 Paragraph 10 of Appendix 28 13.51(2)	N/A	How should an existing <u>the</u> directors/ supervisors 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?	<p>Directors and supervisors of 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 <u>Eligible Issuers under paragraph 8 of Appendix 28 of the Main Board Rules should state in the relevant F</u> forms B/ H/ I that their personal details have been set out in the transfer announcement made under paragraph 10 of Appendix 28 of the Main Board Rules, i.e. the date of the GEM transfer announcement should be inserted in the space provided.</p> <p><u>GEM transfer applicants that are not Eligible Issuers under paragraph 8 of Appendix 28 of the Main Board Rules are considered new listing applicants and their directors and supervisors should state in the forms that their personal details have been set out in the listing document.</u></p> <p>Every GEM transfer issuer must: — disclose the biographical information of each existing director or supervisor in the</p>

No.	Main Board Rules	GEM Rules	Query	Response
				<p>GEM transfer announcement in the same manner as required under Main Board Rule 13.51(2); and – submit Form B/ H/ I to the Exchange immediately after the GEM transfer announcement is published.</p> <p>[Updated in February 2020](Updated 15 February 2018)</p>
60 Issue 18	Appendix 10, Paragraph 7(d)(viii)	5.52(4)(h)	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 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.
61 Issue 18	Appendix 10, Rule A.3	5.56	(FAQ withdrawn in February 2020)How does the new Rule on the black out period affect: share repurchase; grant of share options; exercise of share options; new issue of shares; and top-up placing?	<p>The current dealing restriction for share repurchases under Main Board Rule 10.06(2)(e)/ GEM Rule 13.11(4) remains unchanged; the current dealing restriction for granting options under Main Board Rule 17.05/ GEM 23.05 remains unchanged; 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)); new issues of shares or securities by the issuer are not caught under the Model Code,</p>

No.	Main Board Rules	GEM Rules	Query	Response
				which governs directors' conduct; and 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).
62 Issue 18	(FAQ withdrawn on 1 April 2015)			
63 Issue 18	Appendix 10, Rule A.3	5.56	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. (Updated 13 March 2009)
64 Issue 18	Appendix 10, Rule A.3	5.56	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. (Updated 13 March 2009)
65 Issue 18	(FAQ withdrawn on 1 March 2019)			
66 Issue 18	(FAQ withdrawn on 1 April 2015)			

No.	Main Board Rules	GEM Rules	Query	Response
67 Issue-18	Appendix 10, Rule A.3	5.56	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. (Updated 13 March 2009)
68 Issue-18	Appendix 10, Rule A.3	5.56	Does the notification to the Exchange under Rule A.3(b) have to be in writing?	Yes. (Updated 13 March 2009)
69 Issue-18	Appendix 10, Rule A.3	5.56	Rule A.3 of Appendix 10 of the Main Board Rules/ (GEM Rule 5.56) provides that; "if shorter", the black out period is may commence "from the end of the relevant financial year up to the publication date of the results". Please clarify whether the period commences on the day the financial year end or the day <u>immediately</u> following the financial year end.	The period commences on the day <u>immediately</u> following the financial year end date. [Updated in February 2020](Updated 13 March 2009)
70 Issue-3	(FAQ withdrawn on 1 April 2015)			
71 Issue-12	Appendix 14, Code Provision E.1.3	Appendix 15, Code Provision E.1.3	(FAQ withdrawn in February 2020) New Code Provision E.1.3 of Appendix 14 of the Main Board Rules and Appendix 15 of the GEM Rules provide that at least 20 clear business days should be given for annual general meetings and at least 10 clear business days should be given for all general meetings other than	The new Code Provision will apply to all notices of general meeting despatched by the listed issuer to its shareholders for meetings to be held on or after 1 January 2009.

No.	Main Board Rules	GEM Rules	Query	Response
			annual general meetings. Does this apply to notices of general meeting despatched before 1 January 2009 for meetings held on or after that date?	
72 Issue 3	Appendix 16	18.39	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>Yes. 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, he should be considered "senior management" and falls under this category his biographical details should be similarly disclosed as required under the Rules.</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. [Updated in February 2020]</p>