

## Change of listing status from secondary listing to dual-primary or primary listing on the Main Board

<b>Subject</b>	<del>Change of listing status from secondary listing to dual-primary or primary listing on the Main Board</del>
<b>Listing Rules and Regulations</b>	<del>Main Board Listing Rules 19C.11, 19C.11A, 19C.11B, 19C.11C, 19C.13 and 19C.13A</del>
<b>Related Publications</b>	<del>HKEX-GL94-18 – Suitability for Secondary Listing as a Qualifying Issuer under Chapter 19C</del>
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~~**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 shall prevail. You may consult the Listing Division on a confidential basis for an interpretation of the Listing Rules, or this letter. All references in this letter to the Listing Rules means the Main Board Listing Rules. Defined terms in the Listing Rules shall have the same meaning in this letter.~~

### 1. Purpose

- 1.1 This letter provides guidance to Overseas Issuers<sup>1</sup> that have a secondary listing on the Exchange pursuant to Chapter 19C of the Listing Rules with regards to issues relating to:
- (a) the migration of the majority of trading in their listed shares to the Exchange's markets under Listing Rule 19C.13 ("**Migration**");
  - (b) voluntary conversion to dual-primary listing on the Exchange ("**Primary Conversion**"); and
  - (c) de-listing (voluntary or involuntary) of their shares or depositary receipts issued on their shares from the Recognised Stock Exchange<sup>2</sup> on which they are primary listed under Listing Rule 19C.13A ("**Overseas De-listing**").

Any reference to shares in this letter shall include depositary receipts issued on such shares where applicable.

### 2. Relevant Listing Rules

<sup>1</sup> \_\_\_\_\_ As defined in Chapter 1 of the Listing Rules.

<sup>2</sup> \_\_\_\_\_ As defined in Chapter 1 of the Listing Rules.

- 2.1 Listing Rule 19C.13 states that if the majority of trading in an Overseas Issuer's listed shares migrates to the Exchange's markets on a permanent basis, the Exchange will regard the issuer as having a dual-primary listing and consequently Listing Rules 19C.11, 19C.11A, 19C.11B and 19C.11C (as applicable) will no longer apply to the Overseas Issuer. Listing Rules 19.02, 19.58 to 19.59 relating to the basis for waivers, modifications and exceptions and common waivers for Overseas Issuers may apply depending on the relevant facts and circumstances.
- 2.2 Note 1 to Listing Rule 19C.13 states that the majority of trading in an Overseas Issuer's listed shares is considered to have migrated to the Exchange's markets on a permanent basis if 55% or more of the total worldwide trading volume, by dollar value, of those shares (including the volume of trading in depositary receipts issued on those shares) over the Overseas Issuer's most recent financial year, takes place on the Exchange's markets.
- 2.3 Note 2 to Listing Rule 19C.13 provides such an Overseas Issuer ("**Migration Issuer**") with a grace period of 12 months within which to comply with the applicable Listing Rules ("**Migration Grace Period**").<sup>3</sup> The Migration Grace Period will end at midnight on the first anniversary of the date of the Exchange's written notice of its decision that the majority of trading in the listed shares has migrated permanently to the Exchange's markets ("**Migration Exchange Notice**").
- 2.4 Listing Rule 19C.13A states that if an Overseas Issuer's shares or depositary receipts issued on its shares (as the case may be) cease to be listed on the Recognised Stock Exchange on which it is primary listed, the Exchange will regard the issuer as having a primary listing in Hong Kong and consequently Listing Rules 19C.11, 19C.11A, 19C.11B and 19C.11C (as applicable) will no longer apply to the issuer.
- 2.5 Listing Rule 2.04 states that the Exchange may waive, modify or not require compliance with the Listing Rules in individual cases (to suit the circumstances of a particular case), as a variety of circumstances may exist which require it to make ad hoc decisions.

### 3. Guidance

- 3.1 The Exchange will regard an Overseas Issuer as having (i) a dual-primary listing on the Exchange upon the expiry of Migration Grace Period or the effective date of Primary Conversion; and (ii) a primary listing on the Exchange upon the effective date of Overseas De-listing ("**Change of Listing Status**").

<sup>3</sup> For the avoidance of doubt, the Migration Grace Period is conditional on the continued primary listing of the Overseas Issuer on the relevant Recognised Stock Exchange. If this condition is not fulfilled, the Overseas Issuer would be subject to the relevant guidance under the section headed "D. De-listing from a Recognised Stock Exchange of primary listing" in this guidance letter.

## A. General - Dis-application of exceptions, waivers and exemptions upon Change of Listing Status

- 3.2 Upon a Change of Listing Status, all exceptions, waivers and exemptions available to an Overseas Issuer on the basis of, or conditional upon, its secondary listing status will cease to apply<sup>4</sup> save as otherwise provided under the “Applicability of Listing Rules to transactions entered into before the Change of Listing Status” in the Appendix. See also paragraphs 3.10, 3.17, 3.24 and 3.34 for the arrangements relating to the dis-application of the stock marker “S”.
- 3.3 For those exceptions, waivers and exemptions available to an Overseas Issuer which were not expressly conditional on its secondary listing status (“~~S~~specific ~~W~~waivers”), in general, they will continue to apply despite a Change of Listing Status. However, a change in the nature of a secondary listed Overseas Issuer’s listing status due to Migration, Primary Conversion or Overseas De-listing may constitute a change in circumstances that may result in a prior specific waiver being no longer appropriate. Therefore, the Exchange may revisit any prior specific waiver granted to an Overseas Issuer which is not granted on the basis of, or conditional upon, its secondary listing status and has the right to withdraw a specific waiver under such circumstances pursuant to Listing Rule 2.04.
- 3.4 Accordingly, unless waivers (including any grace period) are granted in respect of specific Listing Rules (see paragraphs 3.7 to 3.8) and save as otherwise provided under “Applicability of Listing Rules to transactions entered into before the Change of Listing Status” in the Appendix, an Overseas Issuer will become subject to all Listing Rules applicable to a dual primary or primary listed issuer<sup>5</sup> immediately upon a Change of Listing Status, and must make arrangements at the earliest opportunity to ensure full compliance of applicable Listing Rules.
- 3.5 This means that upon a Change of Listing Status, an Overseas Issuer should observe the following:
- (a) In relation to corporate governance requirements under the Listing Rules, for example, the establishment of an audit committee, an Overseas Issuer should ensure all changes to its corporate and organisational structure have been introduced to enable itself to be fully compliant with the relevant Listing Rules;
  - (b) In relation to other applicable Listing Rules, i.e. the compliance with which are usually event-driven and/ or time-based in nature (for example, (a) Model Code for Securities Transactions by Directors of Listed Issuers (Appendix ~~40C3~~ of the Listing Rules); (b) restriction on purchase of own shares; (c) notifiable transactions; and (d) connected transactions), an Overseas Issuer is expected to have put in place all necessary internal control systems upon a Change of Listing Status to monitor its ongoing compliance from time to time and, if applicable, carry out all such actions in

<sup>4</sup> This includes exceptions, waivers and exemptions to the Listing Rules set out in Listing Rules 19C.11, 19C.11A, 19C.11B and 19C.11C but subject to paragraph ~~3.3, 3.3,~~ excludes those exceptions, waivers and exemptions available to an Overseas Issuer which were not expressly conditional on its secondary listing status.

<sup>5</sup> This includes Listing Rules previously not applicable to the Overseas Issuers such as Listing Rules 6.12 to 6.15 in relation to withdrawal of listing, Listing Rules 19.09 to 19.61 in relation to additional requirements, modifications or exceptions which apply to an Overseas Issuer whose primary listing is on the Exchange (where applicable).

accordance with the relevant Listing Rules when the situation requires.

Should an Overseas Issuer envisage any issues arising in connection with Migration, Primary Conversion or Overseas De-listing, it is expected to consult the Exchange as early as practicable.

- 3.6 For the avoidance of doubt, a Migration Issuer and a Conversion Issuer (as defined in paragraph 3.23) can continue to adopt a body of alternative financial reporting standards (as set out in Guidance Letter HKEX-GL111-22 - Guidance for Overseas Issuers) as the accounting standards used for the preparation of its financial statements provided that such Overseas Issuer maintains a primary listing in the relevant jurisdiction of the alternative overseas financial reporting standards<sup>6</sup>.

Waiver applications (including applications for a grace period as a time-relief waiver)

- 3.7 If an Overseas Issuer believes it has grounds for certain exceptions, waivers or exemptions to continue after the Change of Listing Status or wishes to apply for a new waiver from strict compliance with any Listing Rules, it should submit an application(s) to the Exchange in accordance with the timing referred to in paragraphs 3.15(b), 3.23 and 3.33 or, if it is not possible, at the earliest opportunity.
- 3.8 The waiver application(s) under paragraphs 3.7 should contain sufficient information to demonstrate the basis for the Exchange to grant (or as the case may be, continue to grant) such waiver(s), including the reasons why any exception, waiver or exemption should apply (or as the case may be, continue to apply). The Exchange will make the assessment on a case-by-case basis and exercise its discretion as to whether to grant the waiver(s).

Dis-application of stock marker "S" and the application of the stock marker "TP" in the stock short name

- 3.9 The purpose of the stock marker "S" in the stock short name of a secondary listed issuer is to provide sufficient notification to inform investors that the relevant issuer is not subject to the full extent of the Listing Rules due to its status as a secondary listed issuer.
- 3.10 Normally, the stock marker "S" should be retained until the Change of Listing Status, subject to the following sub-paragraphs:
- (a) for Migration Issuers, the stock marker "S" will not be dis-applied until a Migration Issuer is able to comply with all relevant Listing Rules applicable to a dual primary listed issuer (except as otherwise provided under "Applicability of Listing Rules to transactions entered into before the Change of Listing Status" in the Appendix). The rationale is to provide an indication to investors that such Migration Issuer has yet to make all necessary arrangements to enable itself to fully comply with all relevant Listing Rules applicable to a dual primary listed issuer and remains to be regarded as a secondary listed issuer.
  - (b) for Conversion Issuers and De-listing Issuers (as defined in paragraph 3.33), the stock marker "S" in the stock short name will be dis-applied on the effective date of Primary Conversion or Overseas De-listing.

If any Overseas Issuer anticipates difficulty in complying fully with the applicable Listing Rules immediately upon the Change of Listing Status and would like to apply

<sup>6</sup> Only issuers incorporated in a member state of the European Union are allowed to adopt EU-IFRS.

for a grace period as time-relief waiver, the Exchange will consider the application on a case-by-case basis. Grace period will only be granted under rare and exceptional circumstances based on compelling reasons so that the Overseas Issuer may make necessary arrangements during such period to enable itself to comply with the Listing Rules as soon as practicable. Please see paragraph 3.26 (for Conversion Issuer) and paragraph 3.39 (for De-listing Issuer) for details of the grace period.

Should any grace period be granted to a Conversion Issuer or a De-listing Issuer, the Exchange has the power to require the Conversion Issuer or De-listing Issuer to have a stock short name that ends with the stock marker “TP” when the Exchange considers necessary taking into account the nature and the materiality of the non-compliance with the Listing Rules covered by the grace period. The purpose of the stock marker “TP” is to inform investors that such Conversion Issuer or De-listing Issuer, while having been reclassified as having a dual primary or primary listing after the Primary Conversion or Overseas De-listing (as the case may be), is under transitional arrangements to enable itself to achieve full compliance with all applicable Listing Rules.

## B. Migration of the majority of trading in an Overseas Issuer’s shares to the Exchange’s markets under Chapter 19C

### Responsibility for monitoring

- 3.11 Subject to paragraph 3.12 below, all secondary listed Overseas Issuers should monitor their compliance with Listing Rule 19C.13 from the start of their first full financial year after listing on the Exchange.
- 3.12 Existing Overseas Issuers which are Greater China Issuers<sup>7</sup> and listed on the Exchange’s markets under Chapter 19C of the Listing Rules on or before 31 December 2021 have been subject to Listing Rule 19C.13 since their listing. For Overseas Issuers (i) that are Non-Greater China Issuers<sup>8</sup> that secondary listed through Chapter 19C of the Listing Rules; or (ii) listed on the Exchange’s markets under the route to secondary listing on the Exchange in accordance with the requirement set out in section 5 of the JPS<sup>9</sup> on or before 31 December 2021, they should monitor their compliance with Listing Rule 19C.13 from the start of their first full financial year that commences on or after the relevant amendments to the Listing Rules<sup>10</sup> come into effect (that is, 1 January 2022), for example, where such existing secondary listed Overseas Issuer has its financial year beginning from 1 January, it should monitor its compliance with Listing Rule 19C.13 from 1 January 2022.

### Method of calculation of trading migration test

- 3.13 The following method is to be used to calculate the percentage of trading volume by dollar value on the Exchange’s markets for the purpose of Listing Rule 19C.13:

Total trading volume in Hong Kong by dollar value over a full  
financial year

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<sup>7</sup> As defined in Chapter 1 in the Listing Rules.

<sup>8</sup> As defined in Chapter 1 in the Listing Rules.

<sup>9</sup> The “Joint policy statement regarding the listing of overseas companies” first published jointly by the Exchange and the SFC in 2007, updated on 27 September 2013 and on 30 April 2018 and was withdrawn on 31 December 2021.

<sup>10</sup> Certain amendments to the Listing Rules following the Exchange’s consultation on the Listing Regime for Overseas Issuers have become effective since 1 January 2022.

$$= \frac{\text{Total worldwide trading volume by dollar value over a full financial year}}{\text{Total worldwide trading volume by dollar value over a full financial year}} \times 100\%$$

- 3.14 For the purpose of calculating “dollar value” and the exchange rate to be adopted, data published by a reputable independent third party market data provider is expected to be used.

Notification to the Exchange

- 3.15 Subject to paragraph 3.11 above, a secondary listed Overseas Issuer should notify the Exchange in writing:

(a) within 5 business days of the end of the third quarter of its financial year, as to whether or not the trading volume of its shares, by dollar value, in Hong Kong has exceeded 50% of the total worldwide trading volume, by dollar value, of those shares (including the volume of trading in depositary receipts issued on those shares) based on the trading volume over that nine-month period and the respective total trading volume of its shares, by dollar value, in Hong Kong and the total worldwide trading volume over that period; and

(b) within 5 business days of the end of its financial year, as to whether or not the trading volume of its shares, by dollar value, in Hong Kong has exceeded 55% of the total worldwide trading volume, by dollar value, of those shares (including the volume of trading in depositary receipts issued on those shares) based on the trading volume over that financial year and the respective total trading volume of its shares, by dollar value, in Hong Kong and the total worldwide trading volume over that year. The notification to the Exchange shall be accompanied by waiver application (if any) under paragraph 3.7.

- 3.16 If the notification to the Exchange required by paragraph 3.15(a) above states that the relevant trading volume in the Overseas Issuer’s shares has exceeded the threshold set out in that paragraph, the Overseas Issuer should begin its assessment of the impact to it of the dis-application of exceptions, waivers and exemptions due to the application of Listing Rule 19C.13 and the potential withdrawal of specific waivers granted by the Exchange, so that it is in a position to publish the announcement required by paragraph 3.20 below at the relevant time.

- 3.17 The Exchange will consider the notification made to it by an Overseas Issuer under paragraph 3.15(b) and may require additional information from the Overseas Issuer. Following its review of the information, the Exchange will issue a Migration Exchange Notice to the Overseas Issuer if it decides that the majority of trading in the listed shares in such Overseas Issuer has migrated permanently to the Exchange’s markets under Listing Rule 19C.13 and it will regard such Migration Issuer as having a dual-primary (rather than secondary) listing status on the Exchange upon the expiry of the Migration Grace Period. The Migration Exchange Notice will also inform the Migration Issuer that the stock marker



“S” in the stock short name will be dis-applied only when such Migration Issuer is able to fully comply with all the relevant Listing Rules applicable to a dual primary listed issuer<sup>11</sup>. In the event a Migration Issuer is unable to implement all necessary changes to its corporate and organisational structure in order to comply with the corporate government requirements in the Listing Rules (e.g. Rule 3.21 and Rule 3.23 relating to the establishment of the audit committee) and/ or put in place an internal control system to enable itself to fully comply with an applicable Listing Rule upon the expiration of the Migration Grace Period, the stock marker “S” shall remain in the stock short name and can only be removed after all rectification measures have been carried out and the Migration Issuer is fully compliant with all applicable Listing Rules. Besides, the Exchange may also consider pursuing disciplinary actions in respect of the non-compliance with the relevant Listing Rules.

- 3.18 For the avoidance of doubt, notwithstanding the receipt of the Migration Exchange Notice, save as otherwise provided under “Applicability of Listing Rules to transactions entered into before the Change of Listing Status” in the Appendix, a Migration Issuer will continue to be entitled to the exceptions, waivers and exemptions granted or applicable to it as a secondary listed Overseas Issuer on the Exchange before the expiry of the Migration Grace Period.

Update report to the Exchange

- 3.19 During the Migration Grace Period, the Migration Issuer should provide the Exchange with an update report, on a monthly basis, on its progress towards compliance with the Listing Rules that will apply to it at the end of the Migration Grace Period.

Migration Issuer’s announcements

- 3.20 As soon as practicable after receiving a Migration Exchange Notice under paragraph 3.17 above, the Migration Issuer must publish an announcement stating that the majority of the trading of its shares has migrated to the Exchange’s markets on a permanent basis under Listing Rule 19C.13, including:

- (a) details of the consequences of the Migration Exchange Notice;
- (b) details of the Migration Grace Period;
- (c) its obligation to make necessary arrangements to enable it to fully comply with applicable Listing Rules upon the end of the Migration Grace Period; the potential consequences of its failure to comply with this obligation; the potential consequences of the withdrawal of any specific waivers from strict compliance with any Listing Rules granted by the Exchange on an individual basis upon the end of the Migration Grace Period;
- (d) where applicable, the Migration Issuer’s intention to apply to the Exchange for certain exception(s), waiver(s) and / or exemption(s) to continue after the Migration Grace Period ends and that the Exchange may or may not grant such exception(s), waiver(s) or exemption(s);
- (e) the potential impact to shareholders and potential investors of any transitional measures to be put in place during the Migration Grace Period; and

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<sup>11</sup> Refer to paragraph 3.5 which sets out the expectation on the Migration Issuer relating to compliance with the applicable Listing Rules upon the expiry of the Migration Grace Period.

- (f) the stock marker “S” continues to apply until the expiry of the Migration Grace Period provided that such Migration Issuer is in compliance with all the relevant Listing Rules applicable to a dual primary listed issuer by then.

3.21 Upon the expiration of the Migration Grace Period, the Migration Issuer should publish an announcement which must state:

- (a) the Migration Grace Period has ended;
- (b) where applicable, any continuing transaction that will continue to be exempted pursuant to Note 3 to Listing Rule 19C.13 and the details of the relevant continuing transaction(s);
- (c) its obligations to comply with all applicable Listing Rules as a dual- primary listed Overseas Issuer on the Exchange following the expiry of the Migration Grace Period; the potential consequences of its failure to comply with these obligations following the expiry of the Migration Grace Period; and the consequences of the withdrawal of any specific waiver from strict compliance with any Listing Rules granted by the Exchange on an individual basis;
- (d) where applicable, details of any waiver(s) from strict compliance with any Listing Rules, including conditions and bases for granting such waiver(s);
- (e) *(in the event that the Migration Issuer has already introduced all changes to its corporate and organisational structure to comply with all corporate governance requirements under the Listing Rules applicable to a dual primary listed issuer and put in place an internal control system to ensure ongoing compliance with other applicable Listing Rules) the dis- application of the stock marker “S”; and*
- (f) *(in the event that the Migration Issuer has not yet introduced all changes to its corporate and organisational structure to comply with all corporate governance requirements under the Listing Rules applicable to a dual primary listed issuer and/ or put in place an internal control system to ensure ongoing compliance with other applicable Listing Rules) the stock maker “S” continues to apply; details of such breaches of Listing Rules and the progress of the rectification and the amount of time needed for full compliance with the specific Listing Rules<sup>12</sup>.*

#### Failure to comply with applicable Listing Rule(s)

3.22 In the event that a Migration Issuer is unable to fully comply with an applicable Listing Rule upon the expiration of the Migration Grace Period (save for any continuing transaction that will continue to be exempted pursuant to Note 3 to Listing Rule 19C.13), the Exchange may, on a case by case basis, exercise its discretion to extend a grace period, suspend trading of such Migration Issuer’s shares or impose other measures as it considers necessary for the protection of the investors and the maintenance of an orderly market. If any extended

<sup>12</sup> Upon the rectification measures being put in place such that the Overseas Issuer is fully compliant with the specific Listing Rules, the Overseas Issuer shall publish an announcement updating the shareholders and investors of its latest status of compliance.



grace period has been granted under a time-relief waiver, the Overseas Issuer shall publish an announcement upon the grant and the expiry of such extended grace period, informing the shareholders and the investors of the status of compliance.

## C. Primary Conversion to dual-primary listing

### Application to the Exchange

3.23 An Overseas Issuer seeking a Primary Conversion (“**Conversion Issuer**”) should apply to the Exchange in writing with regards to its plan to carry out a Primary Conversion (“**Primary Conversion Application**”) together with any waiver application(s) under paragraph 3.7, or if not possible, at the earliest opportunity but not later than the effective date of the Primary Conversion. The Primary Conversion Application should contain:

- (a) the expected date on which the Primary Conversion will become effective, at which time the Conversion Issuer must be able to comply with all the relevant Listing Rules applicable to a dual-primary listed issuer<sup>13</sup>; and
- (b) the detailed plan and arrangements on how it will comply with the applicable Listing Rules. In particular, where the Conversion Issuer was previously granted waivers by virtue of its secondary listing status but going forward it would not apply for such waivers upon the Primary Conversion, it shall set out clearly the arrangements in place to enable its full compliance with these rules.

3.24 The Exchange will consider the information provided in the Primary Conversion Application and may require additional information. Following its review of the information, the Exchange will issue an acknowledgement to the Conversion Issuer (“**Primary Conversion Exchange Acknowledgment**”) which will (i) inform the Conversion Issuer on the disapplication of the stock marker “S” in the stock short name on the effective date of the Primary Conversion; and (ii) remind the Conversion Issuer that upon the Primary Conversion, it will regard such Conversion Issuer as having a dual-primary (rather than secondary) listing status on the Exchange.

3.25 For the avoidance of doubt, notwithstanding the submission of the Primary Conversion Application or receipt of the Primary Conversion Exchange Acknowledgment, a Conversion Issuer will continue to be entitled to the exception(s), waiver(s) and exemption(s) granted or applicable to it as a secondary listed Overseas Issuer on the Exchange before the Primary Conversion becomes effective provided that it remains primary listed on a Recognised Stock Exchange.

### Grace period

3.26 In general, a Conversion Issuer is expected to submit a Primary Conversion Application to the Exchange only when it believes that it would be in a position to be able to fully comply with the applicable Listing Rules upon the Primary Conversion becoming effective. Therefore, a grace period will not normally be granted unless it is justified by a compelling reason. An application for a grace period will be considered on a case-by-case basis (for example, on the basis that certain changes to the corporate structure for full compliance

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<sup>13</sup> Refer to paragraph 3.5 which sets out the expectation on the Conversion Issuer relating to compliance with the applicable Listing Rules upon the Primary Conversion becoming effective.

with the corporate governance requirements under the Listing Rules upon Primary Conversion may require shareholders' approval and the Conversion Issuer can demonstrate to the Exchange that (i) there is imminent price sensitivity concern arising from issuing the circular and notice of meeting prior to the Conversion Issuer's announcements (see paragraph 3.29) in order to comply with the local requirement on notice period and obtain shareholders' approval before the effective date of Primary Conversion; and (ii) delaying the effective date of the Primary Conversion is not practicable).

- 3.27 Should any grace period be granted on the basis of the specific circumstances of the Conversion Issuer, the Exchange has the power to require the Conversion Issuer to have its stock short name end with the stock marker "TP" upon the Primary Conversion becoming effective when the Exchange considers necessary taking into account the nature and the materiality of the non-compliance with the Listing Rules covered by the grace period.
- 3.28 Any grace period granted under a time-relief waiver for a Conversion Issuer in exceptional circumstances will commence from the time of Primary Conversion. The length of the grace period for each Listing Rule under the time-relief waiver will be assessed with reference to the individual facts and circumstances of the Conversion Issuer, including but not limited to (a) the expected date of the Primary Conversion; and (b) the amount of time reasonably needed for the Conversion Issuer to fully comply with the specific Listing Rules.

#### Conversion Issuer's announcements

- 3.29 As soon as practicable after receiving a Primary Conversion Exchange Acknowledgment, the Conversion Issuer must publish an announcement stating the following:
- (a) the intention and / or reasons for the Primary Conversion;
  - (b) the expected or estimated date of the Primary Conversion (i.e. the date on which the Conversion Issuer will be able to comply with all the relevant Listing Rules applicable to a dual-primary listed issuer unless otherwise waived or exempted);
  - (c) its obligations to make necessary arrangements to enable it to comply with all applicable Listing Rules following the Primary Conversion; the potential consequences of its failure to comply with these obligations following the Primary Conversion; and the potential consequences of the withdrawal of any specific waiver from strict compliance with any Listing Rules granted by the Exchange on an individual basis upon Primary Conversion becoming effective;
  - (d) where applicable, any application(s) made to the Exchange for exception(s), waiver(s) or exemption(s) from strict compliance with any Listing Rule following the Primary Conversion and that the Exchange may or may not grant such waiver(s); and
  - (e) the potential impact to shareholders and potential investors of any transitional measures to be put in place before the Primary Conversion becomes effective.
- 3.30 On or before the effective date of its Primary Conversion, the Conversion Issuer should

publish an announcement which must state:

- (a) the Primary Conversion has become effective (or, as the case may be, the date on which the Primary Conversion is expected to become effective);
- (b) its obligations to comply with all applicable Listing Rules as a dual- primary listed Overseas Issuer on the Exchange following the Primary Conversion; the potential consequences of its failure to comply with these obligations following the Primary Conversion; and the consequences of the withdrawal of any waiver from strict compliance with any Listing Rules granted by the Exchange on an individual basis;
- (c) where applicable, details of any exception(s), waiver(s) or exemption(s) from strict compliance with any Listing Rules granted, including conditions and bases for granting such exception(s), waiver(s) or exemption(s);
- (d) the dis-application of the stock marker “S”;
- (e) *(if the Conversion Issuer is granted any grace period)* conditions and bases for granting a grace period including details of the Listing Rules in respect of which a grace period has been granted to the Conversion Issuer and the length of the grace period within which the Conversion Issuer is expected to make necessary arrangements to enable itself to comply with the applicable Listing Rules and the progress of the rectification; and
- (f) *(if requested by the Exchange)* the application of the stock marker “TP”.

3.31 If any grace period has been granted under a time-relief waiver as described in paragraphs 3.10(b) and 3.26, the Conversion Issuer should publish an announcement upon expiration of all such grace periods informing the shareholders and the investors of its status of compliance.

Failure to comply with applicable Listing Rule(s)

3.32 In the event a Conversion Issuer is unable to fully comply with an applicable Listing Rule in time (where no waiver has been granted by the Exchange) upon its Primary Conversion, the Exchange may request the Conversion Issuer to delay the effective date of the Primary Conversion, in which case an announcement should be made by the Conversion Issuer on a timely basis. In the case where a grace period is granted pursuant to paragraphs 3.10(b) and 3.26, if the Conversion Issuer is still unable to fully comply with an applicable Listing Rule upon the expiry of the grace period, the Exchange may, on a case by case basis, exercise its discretion to extend the grace period, suspend trading of such Conversion Issuer’s shares and/ or impose other measures as it considers necessary for the protection of investors and the maintenance of an orderly market. If any extended grace period has been granted under a time-relief waiver, the Overseas Issuer shall publish an announcement upon the grant and expiry of such extended grace period, informing the shareholders and the investors of its status of compliance.

## D. De-listing from a Recognised Stock Exchange of primary listing

### Notification to the Exchange

3.33 An Overseas Issuer that starts to plan a voluntary de-listing, or that reasonably expects it may be de-listed involuntarily, from its Recognised Stock Exchange of primary listing (“**De-listing Issuer**”), should notify the Exchange of this possibility in writing (stating in the notification whether it is a voluntary de-listing, or it expects to be de-listed involuntarily and the bases for such expectation) as soon as practicable to give the Exchange early notice<sup>14</sup> and submit any waiver application(s) under paragraph 3.7 or if not possible, at the earliest opportunity but not later than the effective date of the Overseas-De-listing. The De-listing Issuer Notification should contain:

- (a) the expected date on which the Overseas De-listing will become effective, following which the De-listing Issuer must be able to comply with all the relevant Listing Rules applicable to a primary listed issuer<sup>15</sup>; and
- (b) the detailed plan and arrangements on how it will comply with the applicable rules. In particular, where the De-listing Issuer was previously granted waivers by virtue of its secondary listing status but going forward it would not apply for such waivers upon the Overseas De-listing, it shall set out clearly the arrangements in place to enable its full compliance with these rules.

3.34 The Exchange will consider the information provided in the De-listing Issuer Notification and may require additional information. Following its review of the information, the Exchange will issue an acknowledgment to the De-listing Issuer (“**Overseas De-listing Exchange Acknowledgment**”) which will (i) inform the De-listing Issuer on the disapplication of the stock marker “S” on the effective date of the Overseas De-listing; and (ii) remind the De-listing Issuer that upon the Overseas De-listing, it will regard such De-listing Issuer as having a primary (rather than dual-primary or secondary) listing status on the Exchange.

3.35 For a De-listing Issuer seeking a voluntary delisting from its Recognised Stock Exchange of primary listing, the Exchange would like to emphasise that the De-listing Issuer is expected to submit the De-listing Issuer Notification only if it considers itself being able to fully comply with the applicable Listing Rules upon the Overseas De-listing becoming effective. See paragraphs 3.10(b) and 3.39 for the Exchange’s approach to an application

<sup>14</sup> For a secondary listed Overseas Issuer with primary listing on an exchange in the United States, such notification should be submitted to the Exchange as soon as practicable and before the first filing of Form 8K (domestic issuer) / 6K (foreign private issuer) with the US Securities and Exchange Commission which formally announces the potential de-listing.

<sup>15</sup> Refer to paragraph 3.5 which sets out the expectation on the De-listing Issuer relating to compliance with the applicable Listing Rules upon the Overseas De-listing becoming effective.

for a grace period.

- 3.36 For the avoidance of doubt, notwithstanding the submission of the De-listing Issuer Notification or receipt of the Overseas De-listing Exchange Acknowledgment, a De-listing Issuer will continue to be entitled to the exceptions, waivers or exemptions granted or applicable to it as a secondary listed Overseas Issuer on the Exchange before its Overseas De-listing becomes effective provided that it remains primary listed on a Recognised Stock Exchange.

#### Grace period in respect of financial reporting standards

- 3.37 Listing Rules 19.13 and 19.25A provide that accountants' reports and annual accounts are required to conform to financial reporting standards acceptable to the Exchange, which will normally be ~~Hong Kong Financial Reporting Standards ("HKFRS")~~ or ~~International Financial Reporting Standards ("IFRS")~~.
- 3.38 As set out in Note 4 to Rule 19C.23, where the annual accounts of a De-listing Issuer have been drawn up in conformity with alternative overseas financial reporting standards in accordance with Listing Rule 19C.23 (other than issuers incorporated in an EU member state which adopted EU-IFRS), it shall adopt HKFRS or IFRS with a grace period of one year from its Overseas De-listing to make the necessary amendments to its internal controls to facilitate the change upon Overseas De-listing. This means that any interim and annual financial statements falling due, and published, after the first anniversary of the Overseas De-listing shall be prepared in accordance with either HKFRS or IFRS. This grace period is automatic and no application to the Exchange is required.

#### Grace period in respect of other Listing Rules

- 3.39 As a general principle, a De-listing Issuer is expected to comply with all the Listing Rules as applicable to other primary listed Overseas Issuers following its Overseas De-listing. This is crucial as such De-listing Issuer will no longer be subject to the rules and regulations of the Recognised Stock Exchange on which it was originally primary listed. Except for the grace period available to such issuers in respect of financial reporting standards requirements set out in paragraph 3.38 above, the Exchange believes that a grace period will be considered only in limited circumstances. We will consider applications for a grace period in exceptional circumstances on a case-by-case basis (for example, (1) on the basis that certain changes to the corporate structure for full compliance with the corporate governance requirements under the Listing Rules upon voluntary De-listing may require shareholders' approval and the De-listing Issuer can demonstrate to the Exchange that (i) there is imminent price sensitivity concern arising from issuing the circular and notice of

meeting prior to the De-listing Issuer's announcements (see paragraph 3.42) in order to comply with the local requirement on notice period and obtain shareholders' approval before the effective date of Overseas De-listing; and (ii) delaying the effective date of the Overseas De-listing is not practicable; or (2) the De-listing Issuer was requested to delist from the Recognised Stock Exchange of primary listing by the overseas regulator at short notice).

- 3.40 In general, the Exchange will not normally grant any grace period to De-listing Issuers for compliance in respect of those Listing Rules that have not been previously waived for issuers having a sole primary listing on the Exchange. These Listing Rules generally concern key requirements that, the Exchange considers, must be fully complied with for the purpose of primary listing, such as a majority of the Listing Rules on notifiable transactions and connected transactions.<sup>16</sup>
- 3.41 Any grace period granted under a time-relief waiver for a De-listing Issuer in exceptional circumstances will commence from the time of the Overseas De-listing. The length of the grace period for each Listing Rule under the time-relief waiver will be assessed with reference to the individual facts and circumstances of the De-listing Issuer, including but not limited to (a) the expected date of the Overseas De-listing; and (b) the amount of time reasonably needed for such De-listing Issuer to fully comply with the specific Listing Rules. Should any grace period be granted on the basis of the specific circumstances of the De-listing Issuer, the Exchange has the power to require the De-listing Issuer to have its stock short name end with "TP" upon the Overseas De-listing becoming effective when the Exchange considers necessary taking into account the nature and the materiality of the non-compliance with the Listing Rules covered by the grace period.

#### De-listing Issuer's announcements

- 3.42 A De-listing Issuer must announce its forthcoming Overseas De-listing in accordance with its general obligation of disclosure under Listing Rule 13.09 and no later than the announcement of this information on its Recognised Stock Exchange of primary listing.<sup>17</sup> This announcement must state:

- (a) the intention and / or reasons for the Overseas De-listing;
- (b) the expected or estimated date of the Overseas De-listing (for voluntary De-listing

<sup>16</sup> Under exceptional circumstances (e.g. a transaction entered into but not yet completed before the effective date of the Overseas De-listing due to circumstances beyond the control of the De-listing Issuer (for example, there is a condition precedent regarding obtaining regulatory approvals or the counter-parties to the transaction have requested an extension of the long-stop date for completion), the Exchange may exercise its discretion to waive the shareholders' approval requirement but the Overseas Issuer will be expected to comply with the other requirements applicable to such transaction, including, where applicable, circular, independent financial advisor, accountants' report and annual reporting requirements.

<sup>17</sup> For a secondary listed Overseas Issuer with primary listing on an exchange in the United States, this refers to no later than the first filing of the Form 8K (domestic issuer) / 6K (foreign private issuer) with the US Securities and Exchange Commission which formally announces the potential de-listing.



Issuers, the date on which the voluntary De-listing Issuer will be able to comply with all the relevant Listing Rules applicable to a primary listed issuer unless otherwise waived or exempted; for involuntary De-listing Issuers, the date of which its listing status would be cancelled by the overseas regulator and it becomes a primary listed issuer on the Exchange);

- (c) its obligations to make necessary arrangements to enable it to comply with all applicable Listing Rules following the Overseas De-listing; the potential consequences of its failure to comply with these obligations following the Overseas De-listing; and the potential consequences of the withdrawal of any specific waiver from strict compliance with any Listing Rules granted by the Exchange on an individual basis upon the Overseas De-listing becoming effective;
- (d) where applicable, any application(s) made to the Exchange for exception(s), waiver(s) and exemption(s) from strict compliance with any Listing Rule following the Overseas De-listing and that the Exchange may or may not grant such exception(s), waiver(s) and exemption(s); and
- (e) the potential impact to shareholders and potential investors of any transitional measures to be put in place before the Overseas De-listing becomes effective.

3.43 On or before the effective date of its Overseas De-listing, the De-listing Issuer should publish an announcement which must state:

- (a) the Overseas De-listing has become effective (or, as the case may be, the date on which the Overseas De-listing is expected to become effective);
- (b) its obligations to comply with all applicable Listing Rules as a primary listed Overseas Issuer on the Exchange following the Overseas De-listing; the potential consequences of its failure to comply with these obligations following the Overseas De-listing; and the consequences of the withdrawal of any specific waiver from strict compliance with any Listing Rules granted by the Exchange on an individual basis;
- (c) (*for involuntary De-listing Issuer*) where applicable, any continuing transaction that will continue to be exempted pursuant to this guidance letter (see paragraph 1.1 of the Appendix) and the details of the relevant continuing transaction(s);
- (d) where applicable, details of any waiver(s) from strict compliance with any Listing Rules, including conditions and bases for granting such waiver(s);
- (e) where applicable, the procedures for converting depositary receipts/ shares originally traded on its overseas exchange of primary listing to ordinary shares trading in Hong Kong;
- (f) the dis-application of the stock marker "S";
- (g) (*if the De-listing Issuer is granted any grace period*) conditions and bases for granting grace period including details of the Listing Rules in respect of which a grace period has been granted to the De-listing Issuer and the length of the grace period within which the De-listing Issuer is expected to make necessary arrangements to enable itself to comply with the applicable Listing Rules and the progress of the rectification; and

(h) (if requested by the Exchange) the application of the stock marker “TP”.

3.44 If any grace period has been granted under a time-relief waiver as described in paragraph 3.39, the De-listing Issuer should publish an announcement upon the expiry of all such grace periods, informing the shareholders and the investors of the status of compliance.

Failure to comply with the applicable Listing Rule(s)

3.45 In the event a voluntary De-listing Issuer is unable to fully comply with an applicable Listing Rule in time (where no waiver has been granted by the Exchange) before its Overseas De-listing, the Exchange may request the voluntary De-listing Issuer to delay the effective date of the voluntary Overseas De-listing, in which case an announcement should be made by the voluntary De-listing Issuer on a timely basis.

3.46 In the event an involuntary De-listing Issuer is unable to fully comply with an applicable Listing Rule upon the later of (i) its Overseas De-listing or (ii) the end of the grace period granted under any time-relief waiver (if any), the Exchange may, on a case by case basis, exercise its discretion to extend the grace period (if applicable), suspend trading of such De-listing Issuer’s shares or impose other measures as it considers necessary for the protection of investors and the maintenance of an orderly market. If any extended grace period has been granted under a time-relief waiver, the Overseas Issuer shall publish an announcement upon the grant and expiry of such extended grace period, informing the shareholders and the investors of its status of compliance.

## E. WVR and VIE structures

3.47 ~~Guidance Letter HKEX-GL94-18~~ Chapter 2.2 of the Guide for New Listing Applicants (the Guide) allows Grandfathered Greater China Issuers and Non-Greater China Issuers meeting specified conditions to secondary list or dual primary list in Hong Kong with Non-compliant<sup>18</sup> WVR Structures<sup>19</sup> and/or variable interest entity structures (“VIE structure”), if any. ~~Where these issuers have Non-Compliant WVR Structures, they must also demonstrate, subject to demonstration~~ that they are “Innovative Companies”.

3.48 For the avoidance of doubt, a Grandfathered Greater China Issuer or a Non- Greater China Issuer secondary listed in Hong Kong is allowed to retain its Non-compliant WVR and/ or VIE structures (in effect at the time of its listing in Hong Kong) if it becomes primary listed in Hong Kong as a result of Migration, Overseas De-listing or Primary Conversion.

<sup>18</sup> “Non-compliant” in paragraphs 3.47 and 3.48 means non-compliance with the requirements concerning WVR Structures and VIE structures under the Listing Rules ~~and Chapter 2.2 of the Guide, Guidance Letter 94-18 and Listing Decision 43-3.~~

<sup>19</sup> ~~As defined in Listing Rule 8A.02.~~



### **Applicability of Listing Rules to transactions entered into before the Change of Listing Status**

- 1.1 Overseas Issuers may have transactions in place with third parties that they entered into as a secondary listed issuer on the basis that the Listing Rules on notifiable and/ or connected transactions did not apply. To prevent undue disruption to the ongoing business activities of a Migration Issuer or an involuntary De-listing Issuer following Migration or involuntary Overseas De-listing, the Exchange is prepared to allow exemptions on the bases set out in this paragraph.

#### *Continuing transaction*

Subject to paragraph 1.2 below, in the event that a Migration Issuer or an involuntary De-listing Issuer has entered into a continuing transaction:

- (i) before the beginning of the Migration Grace Period; or
- (ii) before the submission of the De-listing Issuer Notification for involuntary Overseas De-listing,

but the transaction is expected to continue after the expiry of the Migration Grace Period or the involuntary Overseas De-listing becomes effective (as the case may be), save for the requirement for disclosing the details of the transaction in an announcement issued pursuant to paragraph 3.21 (for Migration Issuer) or paragraph 3.43 (for involuntary De-listing Issuer), the Overseas Issuer will be exempted from the applicable notifiable and connected transaction rules set out in the Listing Rules in respect of the transaction, for a period of three years from the date of the Migration Exchange Notice<sup>20</sup> or the date of the De-listing Issuer Notification (as applicable).

However, if such transaction is subsequently amended or renewed before the expiry of the three-year period, the Migration Issuer or the involuntary De-listing Issuer must comply with the relevant requirements under the Listing Rules at such time.

In respect of involuntary Overseas De-listing, the Exchange retains the discretion to modify, or not to allow, the exemption described in this paragraph if the involuntary De-listing Issuer has failed to notify the Exchange of the anticipated Overseas De-listing on a timely basis in accordance with paragraph 3.33 of this letter.

<sup>20</sup> See Note 3 to Listing Rule 19C.13.

1.2 For the avoidance of doubt, the arrangements described in paragraph 1.1 above do not apply to a continuing transaction that is entered into by a Migration Issuer or an involuntary De-listing Issuer at the time set out below:

- (i) during a Migration Grace Period; or
- (ii) after the submission of the De-listing Issuer Notification for Overseas De-listing

and the transaction is expected to continue after the expiry of the Migration Grace Period or the Overseas De-listing becomes effective (as the case may be).

The arrangements described in paragraph 1.1 above also do not apply to any continuing transaction of a Conversion Issuer or voluntary De-listing Issuer that remains subsisting as at the date of the Primary Conversion Application or De-listing Issuer Notification and such transaction is expected to continue after the Primary Conversion or Overseas De-listing becomes effective (as the case may be).

*One-off transaction*

1.3 In the event that a Migration Issuer, a Conversion Issuer or a De-listing Issuer entered into a one-off transaction:

- (i) before the expiry of the Migration Grace Period;
- (ii) before the Primary Conversion becomes effective; or
- (iii) before the Overseas De-listing (whether it concerns voluntary or involuntary Overseas De-listing) becomes effective;

but the transaction is expected to be completed thereafter, where such transaction would have been subject to the requirement to issue an announcement and a circular and/or seek shareholders' approval under the Listing Rules if such Migration Issuer or Conversion Issuer or De-listing Issuer were a primary listed issuer at the time when the transaction was entered into, the issuer should consult the Exchange at the earliest opportunity on the applicability of the Listing Rules to the transaction.

In general, the Overseas Issuer is required to issue an announcement of such one-off transaction to keep the market informed on a timely basis, providing details of the transaction<sup>21</sup>.

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<sup>21</sup> For the avoidance of doubt, the Overseas Issuers also need to publish an announcement of continuing transactions providing details of the transactions in the manner described in paragraph 1.1.

Notwithstanding its secondary-listing status at the time the transaction was entered into, normally, the Exchange would require the Overseas Issuer to make the transaction conditional on the issue of a circular and/or shareholders' approval (where applicable) if, at the time of entering into the transaction, it is aware of the imminent change of listing status (e.g. because the transaction is entered into shortly before or after the Migration Exchange Notice, the Primary Conversion Application or the De-listing Issuer Notification) and that the transaction is expected to be completed thereafter. Under Listing Rule 2.04, the Exchange has the power to waive, modify or not require compliance with the Listing Rules or impose additional requirements where it considers necessary. Below is a list of non-exhaustive factors that may be taken into consideration:

- (i) the extent to which the change of listing status is within the issuer's control;
- (ii) the materiality of the transaction (for example, whether it would have involved the issue of securities or have constituted a very substantial acquisition under Chapter 14 of the Listing Rules); and
- (iii) the length of the period between the time at which the terms of the transaction are finalised and each of the dates of the Migration Exchange Notice, the Primary Conversion Application or the De-listing Issuer Notification and the effective date of the change of listing status.

1.4 Please see the table below for the summary of the Applicability of Listing Rules to transactions entered into before the Change of Listing Status.



### Summary of the applicability of Listing Rules to transactions entered into before the Change of Listing Status

	Nature of transaction	Required level of compliance with Listing Rules
<b>Migration of trading to the Exchange's markets</b>	<p>One-off transaction</p> <ul style="list-style-type: none"> <li>▪ entered into before the expiry of the Migration Grace Period</li> <li>▪ the transaction is expected to be completed after the Migration Grace Period</li> <li>▪ such transaction would have been subject to the requirement to issue an announcement and a circular and/or obtain shareholders' approval under the Listing Rules if such Migration Issuer were a primary listed issuer at the time when the transaction was entered into</li> </ul> <p>(see paragraph 1.3)</p>	<p>Required to make an announcement of the transaction to keep the market informed on a timely basis, providing details of the transaction.</p> <p>Normally expected to make the transaction conditional on the issue of a circular and/or shareholders' approval (as the case may be) if the Migration Issuer is aware of the imminent Change of Listing Status at the time of entering into the transaction.</p>
	<p>Continuing transaction</p> <ul style="list-style-type: none"> <li>▪ entered into before the beginning of the Migration Grace Period</li> <li>▪ the transaction is expected to continue after the expiry of the Migration Grace Period</li> </ul> <p>(see paragraph 1.1)</p>	<p>Exempted from the applicable notifiable and connected transaction rules set out in the Listing Rules for a period of three years from the date of the Migration Exchange Notice.</p> <p>The continuing transaction must be disclosed in the Migration Issuer's announcement providing details of the transaction (see paragraph 3.21 of this letter).</p> <p>However, if such transaction is subsequently amended or renewed before the expiry of the three-year period, the Migration Issuer must comply with the relevant requirements under the Listing Rules at such time.</p>

	Nature of transaction	Required level of compliance with Listing Rules
	<p>Continuing transaction</p> <ul style="list-style-type: none"> <li>▪ entered into during the Migration Grace Period</li> <li>▪ the transaction is expected to continue after the Migration Grace Period</li> </ul> <p>(see paragraph 1.2)</p>	Full compliance
<b>Primary Conversion</b>	<p>One-off transaction</p> <ul style="list-style-type: none"> <li>▪ entered into before the Primary Conversion becomes effective</li> <li>▪ the transaction is expected to be completed after the Primary Conversion becomes effective</li> <li>▪ such transaction would have been subject to the requirement to issue an announcement and a circular and/or obtain shareholders' approval under the Listing Rules if such Conversion Issuer were a primary listed issuer at the time when the transaction was entered into</li> </ul> <p>(see paragraph 1.3)</p>	<p>Required to make an announcement of the transaction to keep the market informed on a timely basis, providing details of the transaction.</p> <p>Normally expected to make the transaction conditional on the issue of a circular and/or shareholders' approval (as the case may be) if the Conversion Issuer is aware of the imminent Change of Listing Status at the time of entering into the transaction.</p>

	Nature of transaction	Required level of compliance with Listing Rules
	<p>Continuing transaction</p> <ul style="list-style-type: none"> <li>▪ remains subsisting as at the date of the Primary Conversion Application</li> <li>▪ the transaction is expected to continue after the Primary Conversion becomes effective</li> </ul> <p>(see paragraph 1.2)</p>	Full compliance
<b>Overseas De-listing (voluntary)</b>	<p>One-off transaction</p> <ul style="list-style-type: none"> <li>▪ entered into before the Overseas De-listing becomes effective</li> <li>▪ the transaction is expected to be completed after the Overseas De-listing becomes effective</li> <li>▪ such transaction would have been subject to the requirement to issue an announcement and a circular and/or obtain shareholders' approval under the Listing Rules if such De-listing Issuer were a primary listed issuer at the time when the transaction was entered into</li> </ul> <p>(see paragraph 1.3)</p>	<p>Required to make an announcement of the transaction to keep the market informed on a timely basis, providing details of the transaction.</p> <p>Normally expected to make the transaction conditional on the issue of a circular and/or shareholders' approval (as the case may be) if the voluntary De-listing Issuer is aware of the imminent Change of Listing Status at the time of entering into the transaction.</p>

	Nature of transaction	Required level of compliance with Listing Rules
	<p>Continuing transaction</p> <ul style="list-style-type: none"> <li>▪ remains subsisting as at the date of the De-listing Issuer Notification</li> <li>▪ the transaction is expected to continue after the Overseas De-listing becomes effective</li> </ul> <p>(see paragraph 1.2)</p>	Full compliance
<b>Overseas De-listing (involuntary)</b>	<p>One-off transaction</p> <ul style="list-style-type: none"> <li>▪ entered into before the Overseas De-listing becomes effective</li> <li>▪ the transaction is expected to be completed after the Overseas De-listing becomes effective</li> <li>▪ such transaction would have been subject to the requirement to issue an announcement and a circular and/or obtain shareholders' approval under the Listing Rules if such De-listing Issuer were a primary listed issuer at the time when the transaction was entered into</li> </ul> <p>(see paragraph 1.3)</p>	<p>Required to make an announcement of the transaction to keep the market informed on a timely basis, providing details of the transaction.</p> <p>Normally expected to make the transaction conditional on the issue of a circular and/or shareholders' approval (as the case may be) if the involuntary De-listing Issuer is aware of the imminent Change of Listing Status at the time of entering into the transaction.</p>

	Nature of transaction	Required level of compliance with Listing Rules
	<p>Continuing transaction</p> <ul style="list-style-type: none"> <li>▪ entered into before the submission of the De-listing Issuer Notification</li> <li>▪ the transaction is expected to continue after the Overseas De-listing becomes effective</li> </ul> <p>(see paragraph 1.1)</p>	<p>Exempted from the applicable rules set out in Listing Rule 19C.11 for a period of three years from the date of the De-listing Issuer Notification.</p> <p>The continuing transaction must be disclosed in the De-listing Issuer's announcement providing details of the transaction (see paragraph 3.43 of this letter).</p> <p>However, if such transaction is subsequently amended or renewed before the expiry of the three-year period, the De-listing Issuer must comply with the relevant requirements under the Listing Rules at such time.</p>
	<p>Continuing transaction</p> <ul style="list-style-type: none"> <li>▪ entered into after the submission of the De-listing Issuer Notification</li> <li>▪ the transaction is expected to continue after the Overseas De-listing becomes effective</li> </ul> <p>(see paragraph 1.2)</p>	<p>Full compliance</p>

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.