

The Stock Exchange of Hong Kong Limited

Practice Note 7

to the Rules Governing the Listing of Securities on GEM
of The Stock Exchange of Hong Kong Limited
(the “GEM Listing Rules”)

Issued pursuant to rule 1.07 of the GEM Listing Rules

ARRANGEMENTS FOR APPLICANTS DURING BAD WEATHER SIGNALS

1. This Practice Note sets out the arrangements in relation to dealings with the Exchange regarding a listing document that constitutes a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance and related announcements when a No. 8 typhoon warning signal or above, “extreme conditions” caused by a super typhoon and/ or a black rainstorm warning signal (collectively, “Bad Weather Signals”) is issued during the period from the registration of a prospectus to the commencement of dealing of shares.

Note: According to the “Code of Practice in Times of Typhoons and Rainstorms,” the Hong Kong Government may issue an announcement on “extreme conditions” in the event of, for example, serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage after super typhoons. When “extreme conditions” are in force (i.e. the two-hour period after cancellation of typhoon warning signal no. 8), the Hong Kong Government will review the situation and further advise the public by the end of the two-hour period whether “extreme conditions” will be extended or cancelled.

2. Applicants should ensure their prospectuses set out the arrangements in the event of bad weather which may disrupt their listing timetable in order to have greater clarity on the arrangements and to avoid market confusion.

Issue of certificate for registration of prospectus

3. On the day of the publication of a prospectus (“P Day”), an electronic copy of the prospectus and application forms will be published on the Exchange’s website in accordance with Chapter 16 and hardcopies will be available for distribution to the public.
4. An applicant must submit documents under rule 12.25 to the Exchange by 11 a.m. on the date of the registration of a prospectus, which is the business day before the P Day (“P-1 Day”) in order to obtain a certificate from the Exchange for prospectus registration with the Companies Registry under the Companies (Winding Up and Miscellaneous Provisions) Ordinance. It is the responsibility of the applicant to deliver the prospectus and any ancillary documents to the Companies Registry for registration. The applicant should receive a written confirmation from the Companies Registry of the registration on P-1 Day.

5. If a Bad Weather Signal is issued on P-1 Day, the arrangements with the Exchange are as follows:

Time when a Bad Weather Signal is issued	Status of the Bad Weather Signal	Arrangements
Before 9 a.m.	Cancelled at or prior to 12:00 noon	The Exchange will review relevant documents and issue the registration certificate on P-1 Day.
Before 9 a.m.	Remains in force at and after 12:00 noon	The Exchange will review relevant documents on the business day after the Bad Weather Signal is lowered or cancelled, and issue the registration certificate as soon as possible.
At or after 9 a.m.	Business as usual	The Exchange will review relevant documents and issue the registration certificate on P-1 Day.

6. If a Bad Weather Signal causes a delay in the registration of a prospectus with the Companies Registry whereby:—

- (a) the offer period becomes less than 3 days as required under the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the applicant must revise its listing timetable to ensure compliance with the requirement and make an announcement of the revised timetable on the business day after the Bad Weather Signal is lowered or cancelled. The announcement is not required to be reviewed by the Exchange, and the applicant is not required to amend its prospectus or issue a supplemental prospectus for this purpose; and/or
- (b) the prospectus would be published later than the date of the prospectus, the applicant should prepare a letter to the Companies Registry stating that the reason for the delay in publishing, circulating or distributing prospectus for the purpose of registration with the Companies Registry. The applicant is not required to amend the date of the prospectus.

Publication of a prospectus

7. If a Bad Weather Signal is in force at 9:00 a.m. on P Day, the applicant must take necessary actions to ensure the offer period is at least 3 days as required under the Companies (Winding Up and Miscellaneous Provisions) Ordinance. If as a result the applicant amends its listing timetable set out in the prospectus, an announcement in relation to the revised timetable must be made on the business day after the Bad Weather Signal is lowered or cancelled. The announcement is not required to be reviewed by the Exchange, and the applicant is not required to issue a supplemental prospectus.

Opening or closing of the application lists in a public offer

8. If a Bad Weather Signal is in force at any time between 9:00 a.m. and 12:00 noon on the scheduled date of the opening of the application lists ("A Day"), the application lists will not be opened on A Day but instead be opened between 11:45 a.m. and 12:00 noon on the next business day when no Bad Weather Signal is in force between 9:00 a.m. and 12:00 noon ("A+1 Day").
9. An applicant is not required to make an announcement on the change of opening of the application lists only if the arrangement in paragraph 8 above is included in the prospectus. Otherwise, the applicant is required to make an announcement on the change of the opening of the application lists as a result of the Bad Weather Signal on A+1 Day, and such announcement is not required to be reviewed by the Exchange.

Vetting of an allocation announcement under rule 16.13

10. Depending on the applicant’s intended date of listing (“L Day”), an allocation announcement is normally approved by the Exchange by the close of business on the second business day before listing (“L-2 Day”). The allocation announcement must be published on the Exchange’s website no later than 8:30 a.m. on the business day before listing (“L-1 Day”).
11. If a Bad Weather Signal is issued on L-2 Day, the arrangements with the Exchange are as follows:

Time when a Bad Weather Signal is issued	Status of the Bad Weather Signal	Arrangements
Before 9 a.m.	Cancelled at or prior to 12:00 noon	The Exchange will review the allocation announcement on L-2 Day.
Before 9 a.m.	Remains in force at and after 12:00 noon	<p>The allocation announcement must be published before 8:30 a.m. on L-1 Day on the Exchange’s website and will be post-vetted by the Exchange on the same day.</p> <p>If the Exchange considers the published allocation announcement omits material information, or contains inaccurate information, the applicant will be required, on L-1 Day, to publish a supplemental allocation announcement and may be required to take other actions to ensure the omitted or inaccurate information in the published allocation announcement will not result in a disorderly market on the L Day. Otherwise, the applicant may be required to delay its listing timetable and make an announcement in relation to the revised timetable on L-1 Day.</p> <p>If the applicant is unable to publish the allocation announcement before 8:30 a.m. on L-1 Day on the Exchange’s website, or if the Exchange cannot post-vet the allocation announcement because a Bad Weather Signal is issued before 9 a.m. and remains in force at and after 12:00 noon on L-1 Day, it must revise its listing timetable and make an announcement in relation to the revised timetable on L-1 Day.</p>
At or after 9 a.m.	Business as usual	The Exchange will review the allocation announcement on L-2 Day.

Issue of a listing approval letter

12. The Exchange normally issues the listing approval letter by close of business on L-1 Day.

13. If a Bad Weather Signal is issued on L-1 Day, the arrangements with the Exchange are as follows:

Time when a Bad Weather Signal is issued	Status of the Bad Weather Signal	Arrangements
Before 9 a.m.	Cancelled at or prior to 12:00 noon	The Exchange will issue the approval letter by close of business on L-1 Day.
Before 9 a.m.	Remains in force at and after 12:00 noon	If a Bad Weather Signal was anticipated, the Exchange will issue the approval letter on L-2 Day. Otherwise, the Exchange will issue the approval letter before 9:15 a.m. on L Day if the Bad Weather Signal is no longer in force.
At or after 9 a.m.	Business as usual	The Exchange will issue the approval letter by close of business on L-1 Day.

Commencement of dealings in shares

14. Dealings of an applicant's shares will only commence when trading on the Exchange resumes, even if trading is only for half-day. The applicant shall refer to the "Trading Hours & Severe Weather Arrangements" on the Exchange's website for details of the trading arrangement.
15. Applicants are not required to make any announcement on the trading arrangements in the event of Bad Weather Signal as this is on the Exchange's website.
16. This Practice Note takes effect from 1 October 2020.

Hong Kong, 1 October 2020