Guide on trading arrangements for selected types of corporate actions

1. Introduction

1.1 This guide outlines key issues and best practices in relation to schedule setting, provision of information and trading arrangements for:

i. Rights issue
ii. Open offer
iii. Share consolidation or sub-division
iv. Change in board lot size
v. Change of company name or addition of Chinese name

1.2 Under the enhanced board lot framework effective 2 July 2026, issuers of equity securities (except Equity Warrants, Investment Companies under Chapter 21, SPAC Shares and SPAC Warrants under Chapter 18B and Trading Only Securities[1]) and REITs (collectively, **Applicable Securities[2]**) are required to comply with the board lot value floor guidance of HK$1,000 and board lot value ceiling guidance of HK$50,000[3], and to adopt one of the eight standardised board lot units[4] when they consolidate or sub-divide their shares and/or change their board lot size. Relevant requirements under the framework are set out in Sections 5 and 6 of this guide. In addition:

i. The Exchange will review issuers' compliance with the board lot value ceiling guidance for Applicable Securities with a board lot size greater than 100 shares over a six-month assessment period, which will run from January to June and from July to December each year. Issuers whose average daily closing board lot value exceeds HK$50,000 will be contacted and expected to take action (such as changing the board lot size or undertaking a share sub-division) to reduce the board lot value promptly, but in any event within six months following the end of the relevant assessment period.

   Issuers of Applicable Securities that are not Specified Prescribed Securities under the Uncertificated Securities Market (**USM**) regime would not be expected to observe the board lot value ceiling guidance until they are able to elect to undertake an earlier USM transition; and

ii. Issuer of Applicable Securities that are not using any of the eight standardised board lot units are required to do so by changing their board lot units within six months after completing the USM transition process.

1 Referring to the 6 NASDAQ securities admitted to trading in the Nasdaq-Amex Pilot Program launched in 2000.
2 For avoidance of doubt, Exchange Traded Products, Debt Securities and Structured Products are excluded from the scope.
3 Only Applicable Securities with a board lot size greater than 100 shares are required to comply with the board lot value ceiling guidance.
4 The eight standardised board lot units are: 1, 50, 100, 500, 1,000, 2,000, 5,000 and 10,000 share(s).

2. Issues for attention

2.1 Issuers should be aware that, other than the Listing Rules and this guide, the scheduling and arrangements of corporate actions may be also subject to statutory laws and regulations in their jurisdiction of incorporation. For instance, the Companies Ordinance has certain requirements on the cumulative book closure period.

2.2 The guidelines in this document are developed and organised by types of corporate actions. In practice, issuers may initiate complicated events, involving multiple types of corporate actions. While the guidelines in this document refer to equities, they may also apply to other types of securities such as warrants and debt securities. For the avoidance of doubt, the board lot framework described in paragraph 1.2 above and the related requirements set out in this guide apply only on the Applicable Securities. If issuers encounter any difficulties, they can contact the designated case officers in the Listing Division for advice.

2.3 Unless otherwise specified, any reference to “day” or “days” in this guide refers to calendar days.

2.4 In this guide, the term “business day” refers to any day on which the Exchange is open for the business of dealing in securities[5]. References to “trading day” and “settlement day” shall have the same meaning as in the Rules of the Exchange and the General Rules of HKSCC, respectively.

2.5 References to offer, issue or subscription of shares or securities in this guide include sale or transfer of treasury shares, and references to allottees include purchasers or transferees of treasury shares.

2.6 International Securities Identification Number (**ISIN**): Issuers should contact corresponding numbering agencies according to their place of incorporation to obtain new ISIN for the securities to be created as a result of the following corporate actions:

i. Nil paid rights shares in rights issue
ii. Issue of a class of securities new to listing
iii. Share consolidation or sub-division
iv. Change of domicile or group reorganisation
v. Change of company name or addition of Chinese name (if there is exchange of share certificates[6]).
vi. Capital reduction or change in board lot size (if there is exchange of share certificates[2]).

3. Rights issue

3.1 Basic concept: A rights issue is an offer of shares in the form of nil paid rights (**NPR**) to existing shareholders in proportion to their existing holdings at a specified price. It is a multi-stage corporate action which involves distribution of NPR to registered shareholders, trading of NPR on the Exchange as temporary securities, acceptance of rights shares and trading of fully-paid

5 MB Rule 1.01 / GEM Rule 1.01

6 Whether a change in ISIN is required should be subject to the decision / operation procedure of the corresponding numbering agencies. In case no exchange of share certificates is arranged, the issuer is also required to update the corresponding numbering agency with the relevant information relating to the proposed corporate action (e.g. change of company name and change in board lot size).

rights shares in the secondary market. At different stages of such corporate action, there are various issues for issuers' attention.

3.2 Book closure / Record date: Issuers must announce the closure of its transfer books or register of members at least six business days before the book closure for a rights issue or 10 business days before the closure in other cases. The issuer must provide at least two trading days for trading in the securities with entitlements (i.e. before the ex-date) after publication of the book closure. If cum-rights trading is interrupted due to, for example, trading suspension of the issuer's securities, and interruption causes the number of uninterrupted trading days for cum-rights trading to fall short of two, the book closing date will be postponed, where necessary, to provide the market with a minimum of two trading days (during neither of which trading is interrupted) for cum-rights trading during the extended notice period. In these circumstances, the issuer must publish an announcement on the revised timetable as soon as practicable.[7] For the sake of clarity, the two uninterrupted trading days do not need to be consecutive.

An issuer must ensure that the last day for trading in the securities with entitlements to the rights issue falls at least one business day after the general meeting, if the rights issue requires approval by shareholders in general meeting or is contingent on a transaction that is subject to approval by shareholders in general meeting. Under the current T+2 settlement system, the record date (when there is no book closure) or the last registration date (when there is a book closure) must be at least three business days after the general meeting. If the issuer fails to publish the result of the poll conducted in the general meeting in the manner prescribed under MB Rule 13.39(5) / GEM Rule 17.47(5), it must ensure there is at least one trading day for trading in the securities with entitlements to the rights issue after publication of the results of the poll. The issuer must publish an announcement on any revised timetable.[8]

3.3 Offer period: The Listing Rules require that the offer period in which the rights shares may be accepted should not be less than 10 business days. In cases where the issuer has a large number of overseas shareholders, a longer period may be desirable, but the Exchange must be consulted if the offer period is over 15 business days. The offer period commences from the next business day after the despatch of the provisional allotment letters (**PAL**)[9].

3.4 The latest time for acceptance of and payment for rights shares: To allow sufficient time for clearing and settlement, the latest time for acceptance of and payment for rights share and application for excess rights shares should be three business days after the last trading day of NPR. However, if one of the three business days immediately after the last trading day is Christmas Eve, New Year's Eve or Lunar New Year's Eve (which are not settlement days), the issuer should consult the Exchange to agree on a workable timetable.

3.5 Rights of overseas shareholders: For the sake of clarity, the issuer should state clearly in the announcement, circular (if any) and listing document whether the offer will be extended to overseas shareholders and if not, the arrangement of the NPR.

3.6 Equity warrants or convertible securities: If the issuer has outstanding equity warrants or convertible securities listed on the Exchange at the time of the rights issue, to protect the interests of the securities holders, the issuer should state in the announcement, circular (if any) and listing document the name and stock code of these securities and the latest time for the holders of these securities to exercise their rights in order to be entitled to the rights issue.

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7 MB Rule 13.66(1), Note (2) to MB Rule 13.66 / GEM Rule 17.78(1), Note (1) to GEM Rule 17.78
8 MB Rule 13.66(2), Note (3) to MB Rule 13.66 / GEM Rule 17.78(2), Note (2) to GEM Rule 17.78
9 MB Rule 7.20 / GEM Rule 10.30

3.7 Corporate action information to be provided: It is good practice for issuers to provide the following CA information as far as possible in the initial disclosure material of the rights issue:

i. **Record date** (i.e. *dd/mm/yyyy*) on which the shareholders entitled to the rights issue will be identified based on the names appearing on the books at the end of that date. If the rights issue requires approval by shareholders in general meeting or is contingent on a transaction that is subject to approval by shareholders in general meeting, the record date on which the issuer will identify shareholders who will be entitled to attend and vote at the general meeting must also be provided.[10] If there is a book closure period, the record date can fall on any day during the period but it normally falls on the last day of the book closure period. The issuer usually determines the identity of shareholders who qualify for the rights issue at the close of the business day. Otherwise, the issuer must specify the Hong Kong time at which the snapshot of shareholder records will be taken in the form of "*hh:mm* on *dd/mm/yyyy*".

ii. **Book closure period** (i.e. either "*on dd/mm/yyyy*" or "*from dd/mm/yyyyy to dd/mm/yyyyy, both days inclusive*") in which the company register will be closed to identify shareholders who will be entitled to the rights issue.

iii. **Latest time for lodging transfers of shares** (i.e. at [4:30 p.m.] on *dd/mm/yyyy*) in order to qualify for the rights issue. The issuer must ensure that the selected date is a future business day on which the share registrar will be open for business and will handle share transfers for the relevant security. In particular, if the issuer has a large number of shareholders, issuer shall ensure that the share registrar has the ability to handle the potentially substantial volume of share transfers within the book closure period.

iv. **Rights issue ratio** (e.g. one rights share for every five shares held)

v. **Issue size of rights issue** (i.e. number of rights shares to be issued)

vi. **Subscription price per rights share** (It is advised to be expressed in Hong Kong dollars or at least with an equivalent Hong Kong dollar amount for easy reference)

vii. **The despatch date of rights issue documents** (including the listing document, provisional allotment letter and excess application form, if any) (please specify in the form of either "*on dd/mm/yyyy*" or "*on or before dd/mm/yyyy*")

viii. **The despatch date of the fully-paid rights shares** (please specify in the form of either "*on dd/mm/yyyy*" or "*on or before dd/mm/yyyy*")

3.8 ISIN code and stock code: If there is a new security resulting from the corporate action, it is best practice for the issuer to announce the ISIN code and stock code of the new security to the market as soon as possible and not later than the payment date for the event.

3.9 Basis of allocation of excess shares: To ensure that sufficient information is provided to shareholders, the issuer is required to disclose the basis of allocation of excess shares not subscribed by allottees in the announcement, circular (if any) and listing document for a rights issue.[11]

[10] See Guide on General Meetings for details.
[11] MB Rules 7.21(1) and (3) / GEM Rules 10.31(1) and (3)

3.10 Treatment of fractions: For the avoidance of doubt, the issuer should include conditions applying to the treatment of fractions in the calculation of resultant entitlements. This is because some ratios of rights issue may result in the creation of fractional entitlements; i.e. resultant entitlements that are not whole units of the underlying shares. For instance, assuming a rights issue ratio of two nil paid rights shares for every five shares held, it will be unclear whether a shareholder holding 1,004 shares (which is not an integral multiple of five shares) will receive 400 nil paid rights shares (on the basis of the whole multiple) or 401 nil paid rights shares (on a pro- rata basis). In such cases, the issuer should specify the conditions.

3.11 Free splitting of PALs: The issuer must provide its shareholders with a free splitting service for PALs. The splitting of PALs must be completed within three business days after the date of receipt. The issuer should also note that:

i. the last day for splitting must be at least three business days before the last trading day of NPR; and

ii. there must not be more than five clear business days between the last day for splitting and the last day for renunciation (i.e. the latest time for acceptance of and payment for rights shares and application for excess rights shares).[12]

3.12 Trading of NPRs: The NPRs distributed to shareholders will be traded on the stock exchange for a short period of time. To facilitate the trading of these temporary securities, the issuer should note the following:

i. Trading currency of NPRs should be the same as for the underlying securities;

ii. Board lot size of NPRs should be the same as the existing board lot size for the underlying securities. If there is a proposal for a change in board lot size, the board lot size of NPRs should be the same as the proposed new board lot size for the underlying securities;

iii. Trading of NPRs normally commences two business days after the despatch of NPRs to registered shareholders; and

iv. Trading period of NPRs should not be less than five business days.

3.13 Other corporate actions: If the issuer pursues other corporate actions in the same period (e.g. share consolidation or sub-division), the issuer should clearly state the rights issue ratio on a post-event basis and the par value (if applicable) of the resultant shares in the circular (if any) and listing document for the rights issue. In case the other corporate actions are terminated, the issuer should disclose to the market whether or not the rights issue will proceed and if so, whether the rights issue ratio will remain the same.

3.14 Typhoon, Extreme Conditions[13] or black rainstorm arrangements (**Bad Weather**): Whenever the schedule of rights issue may be interrupted by Bad Weather, shareholders should be properly informed of the contingency arrangements for these circumstances. The issuer must

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12 Paragraph 4(2) of MB Appendix B1/ GEM Appendix B1

13 According to the "Code of Practice in Times of Adverse Weather and 'Extreme Conditions'", the Hong Kong Government may issue an announcement on "extreme conditions" in the case where a Super Typhoon or other natural disaster of a substantial scale seriously affects the working public's ability to resume work or brings safety concern for a prolonged period. When "extreme conditions" are in force, the Hong Kong Government will review the situation and will announce whether to extend the "extreme conditions" prior to the expiry of the specified period.

insert the following note, or a similar note to the same effect, to the timetable set out in the circular (if any) and listing document for the rights issue:

"The latest time for acceptance of and payment for rights shares will not take place if a tropical cyclone warning signal no. 8 or above, or "extreme conditions" or a 'black' rainstorm warning is:

i. in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on [Last Acceptance Date]. Instead the latest time for acceptance of and payment for the rights shares will be extended to [5:00 p.m.] on the same business day;

ii. in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on [Last Acceptance Date]. Instead the latest time of acceptance of and payment for the rights shares will be rescheduled to 4:00 p.m. on the following business day which does not have either of those warnings in force at any time between 9:00 a.m. and [4:00 p.m.]

If the latest time for acceptance of and payment for the rights shares does not take place on [Last Acceptance Date], the dates mentioned in the 'Expected timetable' section may be affected. The Company will notify shareholders by way of announcements on any change to the expected timetable as soon as practicable."

3.15 <u>CCASS eligibility</u>: If the rights shares in their nil-paid and fully-paid forms will be accepted as eligible securities by Hong Kong Securities Clearing Company Limited (**HKSCC**) for deposit, clearance and settlement in the Central Clearing and Settlement System (**CCASS**) from the date of commencement of dealings, the circular (if any) and listing document for the rights issue should contain the following paragraph or a similar paragraph to the same effect:
"Subject to the granting of listing of, and permission to deal in, the right shares in both nil-paid and fully-paid forms on the Stock Exchange, the rights shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the rights shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time."

3.16 <u>Excess application arrangement</u>: It is common for issuers to arrange for disposal of unsubscribed rights shares by means of excess application forms. In making excess application arrangements, issuers should note the following matters in relation to shareholdings under nominee companies.

i. *Top-up arrangement*: In allocating excess rights, the issuer usually gives preference to applications with less than one board lot by rounding it up to a whole board lot (**Top-up Arrangement**) and treats shareholders whose names appear on the register of members (**Qualifying Shareholders**) as single shareholders. As such, a nominee company whose name appears on the register of members will be treated as a single shareholder (**Registered Nominee Company**) and the Top-up Arrangement will not be extended to the beneficial owners who hold their shares through that nominee company. It is important for issuers to draw the attention of shareholders to these facts. Accordingly, issuers should put the following statements or statements to the same effect into the proposed rights issue announcement, circular (if any) and listing document:

"The Board of the issuer will regard a Registered Nominee Company as a single shareholder under the Top-up Arrangement. Accordingly, the Top-up Arrangement in relation to the allocation of excess rights will not be extended to the beneficial owners individually. Beneficial owners who hold their shares through a Registered Nominee Company are advised to consider whether they would like to arrange registration of their shares in their own names prior to the relevant book closure period."

ii. *Application tier arrangement:* The issuer may set application tiers to govern the number of excess rights shares that can be applied for in each excess application. However, there are practical difficulties (described below) preventing nominee companies from complying with such requirement.

A Registered Nominee Company only has the shareholding information of its direct clients. It has limited information on the identity and shareholding information of beneficial owners who are the customers of its direct clients. Its direct client has full discretion to determine how the excess applications from its own customers are submitted to the Registered Nominee Company. The direct client may (a) aggregate all the excess applications of its clients and submit only one excess application to the Registered Nominee Company; or (b) submit several excess applications to the Registered Nominee Company with some excess applications representing the aggregate of excess applications of several clients and some excess applications representing the individual excess application of each client. As such, it is the responsibility of the direct client or its own customers to ensure compliance with the application tier requirement and the Registered Nominee Company is not in a position to do so; and

Even if all beneficial owners who hold shares through a Registered Nominee Company comply with the application tier requirement, it is still possible that the aggregate number of excess rights shares applied for by a Registered Nominee Company may not fall into any application tiers.

Accordingly, it is best practice for issuers to insert into the proposed rights issue announcement, circular (if any) and listing document a paragraph to the effect that Registered Nominee Companies would be exempted from the application tier requirement and that it is the responsibility of each beneficial owner who holds securities through a Registered Nominee Company to comply with the application tier requirement. The issuer should also state clearly in the announcement, circular (if any) and listing document that excess applications from Registered Nominee Companies will be accepted by share registrars even if their subscription under PAL is not in full.

3.17 Undertaking / declaration: Given that Registered Nominee Companies may only have the shareholding information of their direct clients and have limited information on the identity and shareholding information of the ultimate beneficial owners, the issuer should note that Registered Nominee Companies are not in a position to give any undertaking / declaration or deemed representation / warranty (e.g. when making the subscription under PAL or application for excess rights, Registered Nominee Companies are deemed to have given representation or warranty to the issuer that the beneficial owners are not (a) within the United States; or (b) persons by whom the subscription / application would require additional registrations or require the issuer to comply with any requirements or procedures under any laws or regulations of any jurisdictions outside Hong Kong) at the time of making the subscription under PAL or application for excess rights.

3.18 Treasury shares and repurchased shares pending cancellation: Under the Listing Rules, the shares repurchased by an issuer shall be held as treasury shares or cancelled.

i. *Treasury shares* – The listing of all shares which are held as treasury shares shall be retained. The issuer shall ensure that treasury shares are appropriately identified and segregated. Where the issuer is incorporated in a jurisdiction requiring treasury shares to be held in its own name, it should withdraw all treasury shares from CCASS, and either re-register them in its own name as treasury shares or cancel them, in each case before the record date (or the last registration date if there is a book closure period) for the rights issue. If there remains any treasury shares held with CCASS which are not entitled to the rights shares on the record date (or the last registration date if there is a book closure period), the issuer should give clear written instructions to its share registrar to exclude such treasury shares in determining HKSCC Nominees Limited (**HKSCCN**)'s entitlements to the rights shares. The issuer and its broker should also promptly notify HKSCC the number of treasury shares held with CCASS, details of the broker and other information HKSCC may prescribe from time to time.

ii. *Repurchased shares pending cancellation* – The listing of all shares which are repurchased by an issuer but not held as treasury shares shall be automatically cancelled upon repurchase. The issuer shall ensure that the documents of title of these repurchased shares are cancelled and destroyed as soon as reasonably practicable following settlement of any such repurchase. If an issuer repurchased shares before the ex-date for the rights issue but has not withdrawn the shares from CCASS for cancellation on or before the record date (or the last registration date if there is a book closure period), the issuer should instruct its share registrar to exclude such repurchased shares in determining HKSCCN's entitlements.

The issuer and the relevant broker should promptly notify HKSCC the number of such repurchased shares held in CCASS, details of the broker and other information HKSCC may prescribe from time to time.

iii. *Disclosure of treasury shares or repurchased shares pending cancellation* – An issuer should disclose in its announcement for the rights issue (i) the number of treasury shares held by the issuer (including any treasury shares held or deposited with CCASS) and/or repurchased shares pending cancellation; and (ii) that such shares would not receive any rights shares, whether in their nil-paid and fully-paid forms.

Where the issuer is incorporated in a jurisdiction requiring treasury shares to be held in its own name, it should also disclose in the announcement that it will withdraw all treasury shares from CCASS, and either re-register them in its own name as treasury shares or cancel them, in each case before the record date (or the last registration date if there is a book closure period) for the rights issue.

3.19 Sample timetable for a rights issue: The following table is compiled strictly as a sample for issuers' reference. It contains various assumptions which may not apply to a specific case of a rights issue. Depending on the individual requirements of each exercise, the issuer should make necessary modifications.

Event	Remarks	Timeline*
(i) General Meeting NOT required		
Publication of the rights issue announcement (including timetable) on HKEXnews website	At least six business days before the book closure	Day 1
Last day of dealings in securities on cum-rights basis	The business day immediately before the ex- date	Day 4
Ex-date (the first day of dealings in securities on ex-rights basis)	The business day immediately before the record date (when there is no book closure) or two business days before the register of members closes (when there is a book closure)	Day 5
Latest time for lodging transfers of shares to qualify for the rights issue		4:30 p.m. on Day 6
Register of members closes (both days inclusive)		Day 7-11
Record date for rights issue	Any day during the book closure period	Day 11
Despatch of PAL and NPR		Day 12
First day of dealing in NPR	Two business days after the dispatch of PAL	Day 14
Latest time for splitting of PAL	▪ At least three business days preceding the last dealing day ▪ Not more than five clear business days between the last day for splitting and the last day for renunciation	At a time on Day 16
Last day of dealings in NPR	Trading period of NPR should be at least five business days	Day 19
Latest time for acceptance and payment for rights shares and application for excess rights shares	▪ Three business day after last day of dealing ▪ The offer period should not be less than 10 business days	At a time on Day 22

Event	Remarks	Timeline*
Latest time for the termination of the underwriting agreement (if applicable)		At a time on Day 23
Announcement of the allotment results		Day 27
Despatch of certificates for fully-paid rights shares and refund cheques		Day 28
Expected first day of dealings in fully- paid rights shares	The business day immediately after the despatch of certificates	Day 29
(ii) General Meeting required		
Publication of the rights issue announcement (including timetable) on HKEXnews website	At least 10 business days before the book closure for general meeting	Day 1
Latest time for lodging transfers of shares to qualify for attendance and voting at the general meeting		4:30 p.m. on Day 10
Register of members closes (both days inclusive)		Day 11-15
Record date for attendance and voting at the general meeting	Any day during the book closure period but not later than the day any general meeting is held for such purpose	Day 15
General meeting to approve the proposal		Day 15
Announcement of the result of the general meeting		Day 15
Last day of dealings in securities on cum-rights basis	At least one business day after the general meeting	Day 16
Ex-date (the first day of dealings in securities on ex-rights basis)	The business day immediately before the record date (when there is no book closure) or two business days before the register of members closes (when there is a book closure)	Day 17

Event	Remarks	Timeline*
Latest time for lodging transfers of shares to qualify for the rights issue		4:30 p.m. on Day 18
Register of members closes (both days inclusive)		Day 19-23
Record date for rights issue	At least three business days after the general meeting	Day 23
Despatch of PAL and NPR		Day 24
First day of dealing in NPR	Two business days after the despatch of PAL	Day 26
Latest time for splitting of PAL	▪ At least three business days preceding the last dealing day ▪ Not more than five clear business days between the last day for splitting and the last day for renunciation	At a time on Day 28
Last day of dealings in NPR	Trading period of NPR should be at least five business days	Day 31
Latest time for acceptance and payment for rights shares and application for excess rights shares	▪ Three business day after last day of dealing ▪ The offer period should not be less than 10 business days	At a time on Day 34
Latest time for the termination of the underwriting agreement (if applicable)		At a time on Day 35
Announcement of the allotment results		Day 39
Despatch of certificates for fully-paid rights shares and refund cheques		Day 40
Expected first day of dealings in fully- paid rights shares	The business day immediately after the despatch of certificates	Day 41

Note: Timeline is counted in business days unless otherwise specified

3.20 Checklist for technical and operational matters in relation to a rights issue

An issuer is expected to provide affirmative answers to all the questions in the checklist.

* Please *delete where inappropriate*

Issue	Checked
1. Book closure/Record date **(G3.2)**:	
i. Is the notice of book closure made at least six business days before the closure for a rights issue or 10 business days before the closure in other cases?	☐
ii. Are you aware that you must maintain at least two trading days for trading cum-rights securities during the notice period and, where necessary, to postpone the book closing date if cum-rights trading is interrupted due to, for example, trading suspension of the issuer's securities which causes the number of uninterrupted trading days for cum-rights trading fall short of two?	☐
iii. If the rights issue requires approval by shareholders in general meeting or is contingent on a transaction that is subject to approval by shareholders in general meeting, is the record date (when there is no book closure) or the last registration date (when there is a book closure) set at least three business days after the general meeting (i.e. at least one cum-trading day will be provided)?	☐
iv. Are you aware that you must ensure there is at least one trading day for trading in the securities with entitlements to the rights issue after publication of the results of the poll?	☐
v. Have you complied with the best practices outlined in the Guide on Disclosure of Record Date, Book Closure and Latest Time for Lodging Transfers of Shares separately issued by the Exchange?	☐
2. Offer period: Is the offer period at least 10 business days? If it is over 15 business days, have you consulted the Exchange in advance? **(G3.3)** (______days)	☐
3. The latest time for acceptance of and payment for rights shares: Is the last acceptance day for rights shares and application for excess rights shares three business days after the last trading day of NPR? **(G3.4)**	
i. The latest time for acceptance of rights shares: ____________*dd/mm/yyyy*	☐
ii. Last trading day*:* ____________*dd/mm/yyyy*	☐
4. Rights of overseas shareholders: Have you stated clearly whether the offer will be extended to overseas shareholders and if not, the arrangement for the NPR? **(G3.5)**	☐

Issue	Checked
5. <u>Convertible securities</u>: If there are any outstanding equity warrants or convertible securities issued by your company, have you provided the name and stock code of the convertible securities as well as the deadline for the holders of these securities to exercise their rights to be entitled to the rights issue? **(G3.6)**	☐
6. <u>Information to be disclosed</u>: In your announcement, have you provided the following information in relation to the rights issue? **(G3.7)**	
i. Record date: ____________*dd/mm/yyyy* (if the identity of qualified shareholders is not determined at the close of business on this day, please specify the Hong Kong time ______*hh:mm)* (if general meeting is required, the record date for attendance and voting at the general meeting must also be provided)	☐
ii. Book closure period: from ____________*dd/mm/yyyy* to ____________*dd/mm/yyyy*, both days inclusive	☐
iii. Latest time for lodging transfers of shares: at 4:30 p.m. on ____________*dd/mm/yyyy*	☐
iv. Rights issue ratio: _____rights shares for every _____existing shares held	☐
v. Issue size: _______________rights shares	☐
vi. Subscription price per rights share: _____ (Please specify the currency. In case it is a foreign currency, please specify an equivalent HK$_____ amount for shareholders' easy reference.)	☐
vii. Despatch date of rights issue documents: on / on or before* ____________*dd/mm/yyyy*	☐
viii. Despatch date of fully-paid rights shares: on / on or before* ____________*dd/mm/yyyy*	☐
7. <u>ISIN code and stock code</u> (if applicable): Have you announced the ISIN code and stock code of the new resultant security? **(G3.8)**	☐
8. <u>Basis of allocation of excess shares</u>: Have you disclosed the basis of allocation of excess securities? (**G3.9**)	☐
9. <u>Treatment of fractions</u>: Have you specified the conditions applying to the treatment of fractions in the calculation of resultant rights shares? **(G3.10)** Whole multiple / pro-rata basis*	☐

Issue		Checked
10.	Free splitting of PAL: Have you provided the free splitting services? **(G3.11)**	
	▪ Is the last day for splitting at least three business days before the last day of dealing in NPR? (______days)	☐
	▪ Is there no more than five clear business days between the last day for splitting and the last day for renunciation? (______days)	☐
11.	Trading of NPR: Regarding the trading arrangement of the NPR **(G3.12)**,	
	i. Is the trading currency of the nil paid rights the same as the underlying shares? ______ (*please specify the currency* ______)	☐
	ii. Is the board lot size of the nil paid rights the same as the existing board lot size of the underlying shares, or if there will be a change in board lot size, what is the new board lot size of the underlying shares? (Board lot size: _______)	☐
	iii. Is there at least two business days between the despatch of nil paid rights to shareholders and the first day of dealing in the nil paid rights shares? (_______days)	☐
	iv. Is the trading period no less than five business days? (______days)	☐
12.	Other corporate actions (if applicable): Are there other corporate actions during the same period? If so, have you stated clearly in the circular (if any) and listing document the rights issue ratio on a post-event basis and the par value (if applicable) of the resultant shares? **(G3.13)**	☐
13.	Typhoon, Extreme Conditions or black rainstorm arrangements (if applicable): Have you stated the contingency arrangements for typhoons, Extreme Conditions or black rainstorms in the circular (if any) and listing document? **(G3.14)**	☐
14.	CCASS eligibility: Have you included the statement about the admission of the rights shares as CCASS eligible securities? **(G3.15)**	☐
15.	Top-up arrangement: Have you alerted the beneficial owners who hold their securities through a nominee company of the fact that the top-up arrangement would not be extended to them individually and reminded them to take appropriate action? **(G3.16 (i))**	☐
16.	Application tier arrangement (if applicable): Have you reminded shareholders that it is the responsibility of beneficial owners who hold securities through a registered nominee company to comply with the application tier requirement and that registered nominee companies would be exempted from the application tier requirement? **(G3.16 (ii))**	☐

Issue	Checked
17. Underwriting / declaration: Are you aware of the fact that nominee companies are not in a position to provide any undertaking/declaration or deemed representation at the time of making the subscription under PAL or application for excess rights in relation to matters about the beneficial owners? **(G3.17)**	☐
18. Treasury shares and repurchased shares pending cancellation: Have you disclosed (i) the number of treasury shares held by the issuer (including any treasury shares held or deposited with CCASS) and/or repurchased shares pending cancellation (if any); and (ii) that such shares would not receive any rights shares, whether in their nil-paid and fully-paid forms? For an issuer incorporated in a jurisdiction which requires repurchased shares to be held in the issuer's own name in order to be classified as treasury shares, have you withdrawn the treasury shares deposited with CCASS pending resale on the Exchange and either re-registered them in your own name as treasury shares or cancelled them? **(G3.18)**	☐
19. Expected timetable: Have you included all the relevant events as illustrated in the timetable in relation to the rights issue? **(G3.19)**	☐

4. Open offer

4.1 Basic concept: An open offer is an offer of securities to existing shareholders. Therefore many guidelines for a rights issue also apply to an open offer. However in an open offer, the offer of securities for subscription may or may not be in proportion to the existing holding of shareholders and the securities are not allotted on renounceable documents. Therefore the timetables are relatively simpler than for a rights issue.

4.2 Book closure/Record date: An issuer must publish a notice of the closure of its transfer books or register of members at least 10 business days before the closure[14].

An issuer must ensure that the last day for trading in the securities with entitlements to the open offer falls at least one business day after the general meeting, if the open offer requires approval by shareholders in general meeting or is contingent on a transaction that is subject to approval by shareholders in general meeting. Under the current T+2 settlement system, the record date (when there is no book closure) or the last registration date (when there is a book closure) must be at least three business days after the general meeting.

If the issuer fails to publish the result of the poll conducted in the general meeting in the manner prescribed under MB Rule 13.39(5) / GEM Rule 17.47(5), it must ensure there is at least one trading day for trading in the securities with entitlements to the open offer after publication of the results of the poll. The issuer must publish an announcement on any revised timetable.[15]

4.3 Offer period: The Listing Rules require that the offer of securities by way of an open offer must remain open for acceptance for a minimum period of 10 business days. In cases where the issuer has a large number of overseas shareholders, a longer period may be desirable, but the Exchange must be consulted if the offer period is over 15 business days.[16] The offer period commences from the next business day after the despatch of subscription forms.

4.4 Rights of overseas shareholders: For the sake of clarity, the issuer should state clearly in the announcement, circular (if any) and listing document whether the open offer will be extended to overseas shareholders and if not, the arrangement for the unsubscribed offer shares.

4.5 Convertible securities: If the issuer has outstanding equity warrants or other convertible securities listed on the Exchange at the time of an open offer, to protect the interests of the convertible securities holders, the issuer should state in the announcement, circular (if any) and listing document the name and stock code of the convertible securities and the latest time for the holders of these securities to exercise their rights in order to be entitled to the open offer.

4.6 Corporate action information to be provided: It is good practice for issuers to provide as far as possible the following information in the initial announcement of the open offer:

i. **Record date** (i.e. dd/mm/yyyy) on which the shareholders entitled to the offer shares will be identified based on the names appearing on the books at the end of that date. If the open offer requires approval by shareholders in general meeting or is contingent on a transaction that is subject to approval by shareholders in general meeting, the record

14 MB Rule 13.66(1) / GEM Rule 17.78(1)
15 MB Rule 13.66(2), Note (3) to 13.66 / GEM Rule 17.78(2), Note (2) to 17.78
16 MB Rule 7.25 / GEM Rule 10.40

date on which the issuer will identify shareholders who will be entitled to attend and vote at the general meeting must also be provided.[17]

If there is a book closure period, the record date can fall on any day during the period but it normally falls on the last day of the book closure period.

The issuer usually determines the identity of qualified shareholders at the close of the business day. If otherwise, the issuer must specify the Hong Kong time at which the snapshot of shareholder records will be taken in the form of "*hh:mm* on *dd/mm/yyyy*".

ii. **Book closure period** (i.e. either "*on dd/mm/yyyy" or "from dd/mm/yyyyy to dd/mm/yyyyy, both days inclusive*") in which the company register will be closed to identify the shareholders who will be entitled to the open offer.

iii. **Latest time for lodging transfers of shares** (i.e. by [4:30 p.m.] on *dd/mm/yyyy*) in order to qualify for the open offer. The issuer should ensure that the selected date is a future business day on which the share registrar will be open for business and will handle transfers of shares for the relevant securities. In particular, if the issuer has a large number of shareholders, to the issuer shall ensure that the share registrar has the ability to handle the potentially substantial volume of share transfers within the book closure period.

iv. **Open offer ratio** (e.g. one offer share for every five shares held)

v. **Issue size of open offer** (i.e. number of offer shares to be issued)

vi. **Subscription price per offer share** (It is advised to be expressed in Hong Kong dollars or at least with an equivalent Hong Kong dollar amount for easy reference)

vii. **The despatch date of the subscription forms and the offer document** (please specify in the form of either "*on dd/mm/yyyy"* or "*on or before dd/mm/yyyy"*)

viii. **The despatch date of the offer shares** (please specify in the form of either "*on dd/mm/yyyy"* or "*on or before dd/mm/yyyy"*)

4.7 Basis of allocation of excess shares: To ensure that sufficient information is provided to shareholders, the issuer must disclose the basis of the allocation of securities not validly applied for by shareholders in the announcement, circular (if any) and listing document for an open offer[18].

4.8 Treatment of fractions: For the avoidance of doubt, the issuer should include conditions applying to the treatment of fractions in the calculation of resultant entitlements. This is because some ratios of an open offer may result in the creation of fractional entitlements; i.e. resultant entitlements that are not whole units of the underlying shares. For instance, for an open offer ratio of two offer shares for every five shares held, it will be unclear whether a shareholder holding 1,004 shares (which is not an integral multiple of five shares) will receive 400 offer shares (on the basis of the whole multiple) or 401 offer shares (on a pro-rata basis). In these cases, the issuer should specify the conditions.

[17] See Guide on general meetings for details.
[18] MB Rules 7.26A(1) and (3) / GEM Rules 10.42(1) and (3)

4.9 Other corporate actions: If the issuer pursues other corporate actions during the same period (e.g. share consolidation or sub-division), it should clearly state the open offer ratio on a post-event basis and the par value (if applicable) of the resultant shares in its circular (if any) and the listing document. In cases where the other corporate actions are terminated, the issuer should disclose to the market whether or not the open offer will proceed and if so, whether the open offer ratio will remain the same.

4.10 Typhoon, Extreme Conditions[19] or black rainstorm arrangements (**Bad Weather**): Whenever the schedule of an open offer may be interrupted by Bad Weather, shareholders should be properly informed of the contingency arrangements in these circumstances. The issuer must insert the following note, or a similar note to the same effect, to the timetable set out in the circular (if any) and the listing document for the open offer:

"The latest time for acceptance of and payment for offer shares will not take place if a tropical cyclone warning signal no. 8 or above, or "extreme conditions" or a 'black' rainstorm warning is:

i. in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on [Last Acceptance Date]. Instead the latest time for acceptance of and payment for the offer shares will be extended to 5:00 p.m. on the same business day;

ii. in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on [Last Acceptance Date]. Instead the latest time of acceptance of and payment for the offer shares will be rescheduled to [4:00 p.m.] on the following business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the offer shares does not take place on [Last Acceptance Date], the dates mentioned in the 'Expected timetable' section may be affected. The Company will notify shareholders by way of announcements on any change to the expected timetable as soon as practicable."

4.11 CCASS eligibility: If the offer shares will be admitted as CCASS eligible securities from the date of commencement of dealings, the timetable set out in the circular (if any) and the listing document of the open offer should contain the following paragraph or a similar paragraph to the same effect:

"Subject to the granting of listing of, and permission to deal in, the offer shares on the Stock Exchange, the offer shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the offer shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time."

4.12 Excess application arrangement: Issuers may arrange for disposal of securities not validly applied for by shareholders under their assured entitlement, in which case such securities will be available for subscription by all shareholders in excess of their assured allotments. In cases where an excess application arrangement will be made, issuers should note the following matters in relation to shareholdings under nominee companies.

[19] See footnote 13

i. *Top-up arrangement*: In allocating excess offer shares, the issuer usually gives preference to applications with less than one board lot by rounding it up to a whole board lot (**Top-up Arrangement**) and treats shareholders whose names appear on the register of members (**Qualifying Shareholders**) as single shareholders.

As such, a nominee company whose name appears on the register of members will be treated as a single shareholder (**Registered Nominee Company**) and the Top-up Arrangement will not be extended to the beneficial owners who hold their shares through that nominee company. It is important for issuers to draw the attention of shareholders to these facts. Accordingly, issuers should put the following statement or a statement to the same effect in the proposed open offer announcement, circular (if any) and listing document:

"The Board of the issuer will regard a Registered Nominee Company as a single shareholder under the Top-up Arrangement. Accordingly, the Top-up Arrangement in relation to the allocation of excess offer shares will not be extended to the beneficial owners individually. Beneficial owners who hold their shares through a Registered Nominee Company are advised to consider whether they would like to arrange registration of their shares in their own names prior to the relevant book closure period."

ii. *Application tier arrangement*: The issuer normally may set application tiers to govern the number of excess offer shares that can be applied for in each excess application. However there are practical difficulties (described below) preventing nominee companies such as HKSCC Nominee Limited from complying with such a requirement.

A Registered Nominee Company only has the shareholding information of its direct clients. It has limited information on the identity and shareholding information of beneficial owners who are the customers of its direct clients. Its direct client has full discretion to determine how the excess applications from its own customers are submitted to the Registered Nominee Company. The direct client may: (a) aggregate all the excess applications of its clients and submit only one excess application to the Registered Nominee Company; or (b) submit several excess applications to the Registered Nominee Company with some excess applications representing the aggregate of excess applications of several clients and some excess applications representing the individual excess application of each client. As such, it is the responsibility of the direct client or its own customers to ensure compliance with the application tier requirement and the Registered Nominee Company is not in a position to do so; and

Even if all beneficial owners who hold securities through a Registered Nominee Company comply with the application tier requirement, it is still possible that the aggregate number of excess offer shares applied for by a Registered Nominee Company may not fall into any application tiers.

Accordingly, it is good practice for the issuer to insert in the proposed open offer announcement, circular (if any) and listing document a paragraph to the effect that Registered Nominee Companies would be exempted from the application tier requirement and that it is the responsibility of each beneficial owner who holds securities through a Registered Nominee Company to comply with the application tier requirement. The issuer should state clearly in the announcement, circular (if any) and listing document that excess application from Registered Nominee Companies will be accepted by share registrars even if their assured entitlement of the offer shares are not subscribed in full.

4.13 Undertaking / declaration: Given that Registered Nominee Companies may only have the shareholding information of their direct clients and have limited information on the identity and shareholding information of the ultimate beneficial owners, the issuer should note that Registered Nominee Companies are not in a position to give any undertaking / declaration or deemed representation / warranty (e.g. when making a subscription for assured entitlement or application for excess offer shares, Registered Nominee Companies are deemed to have given a representation or warranty to the issuer that the beneficial owners are not (a) within the United States; or (b) persons by whom the subscription / application would require additional registrations or require the issuer to comply with any requirements or procedures under any laws or regulations of any jurisdictions outside Hong Kong) at the time of making the subscription of assured entitlement or application for excess offer shares.

4.14 Treasury shares and repurchased shares pending cancellation: Under the Listing Rules, the shares repurchased by an issuer shall be held as treasury shares or cancelled.[20]

i. *Treasury shares* – The listing of all shares which are held as treasury shares shall be retained. The issuer shall ensure that treasury shares are appropriately identified and segregated. Where the issuer is incorporated in a jurisdiction requiring treasury shares to be held in its own name, it should withdraw all treasury shares from CCASS, and either re-register them in its own name as treasury shares or cancel them, in each case before the record date (or the last registration date if there is a book closure period) for the open offer. If there remains any treasury shares held with CCASS which are not entitled to the offer shares on the record date (or the last registration date if there is a book closure period), the issuer should give clear written instructions to its share registrar to exclude such treasury shares in determining HKSCCN's entitlements to the offer shares. The issuer and its broker should also promptly notify HKSCC the number of treasury shares held with CCASS, details of the broker and other information HKSCC may prescribe from time to time.

ii. *Repurchased shares pending cancellation* – The listing of all shares which are repurchased by an issuer but not held as treasury shares shall be automatically cancelled upon repurchase. The issuer shall ensure that the documents of title of these repurchased shares are cancelled and destroyed as soon as reasonably practicable following settlement of any such repurchase. If an issuer repurchased shares before the ex-date for the open offer but has not withdrawn the shares from CCASS for cancellation on or before the record date (or the last registration date if there is a book closure period), the issuer should instruct its share registrar to exclude such repurchased shares in determining HKSCCN's entitlements. The issuer and the relevant broker should promptly notify HKSCC the number of such repurchased shares held in CCASS, details of the broker and other information HKSCC may prescribe from time to time.

iii. *Disclosure of treasury shares or repurchased shares pending cancellation* – An issuer should disclose in its announcement for the open offer (i) the number of treasury shares held by the issuer (including any treasury shares held or deposited with CCASS) and/or repurchased shares pending cancellation; and (ii) that such shares would not be entitled to any offer shares. Where the issuer is incorporated in a jurisdiction requiring treasury shares to be held in its own name, it should also disclose in the announcement that it will

[20] Guidance Letter GL119-24

withdraw all treasury shares from CCASS, and either re-register them in its own name as treasury shares or cancel them, in each case before the record date (or the last registration date if there is a book closure period) for the open offer.

4.15 Sample timetable for an open offer: The following table is compiled strictly as a sample for issuers' reference. It contains various assumptions which may not apply to a specific case of an open offer. Depending on the individual requirements of each exercise, the issuer should make necessary modifications.

Event	Remarks	Timeline*
(i) General Meeting NOT required		
Publication of the open offer announcement (including timetable) on HKEXnews website	At least 10 business days before the book closure	Day 1
Last day of dealings in securities on cum- entitlement basis	The business day immediately before the ex-date	Day 8
Ex-date (the first day of dealings in securities on ex-entitlement basis)	The business day immediately before the record date (when there is no book closure) or two business days before the register of members closes (where there is a book closure)	Day 9
Latest time for lodging transfers of shares in order to qualify for the open offer		4:30 p.m. on Day 10
Register of members closes (both days inclusive)		Day 11-15
Record date for open offer	Any day during the book closure period	Day 15
Despatch of the listing document and subscription form		Day 16
Latest time for acceptance and payment for offer shares and application for excess offer shares	The offer period should be at least 10 business days	At a time on Day 26
Latest time for the termination of underwriting agreement (if applicable)		At a time on Day 27

Event	Remarks	Timeline*
Announcement of the allotment results		Day 31
Despatch of certificates for offer shares and refund cheques		Day 32
Expected first day of dealings in offer shares	The business day immediately after the despatch of certificates	Day 33
(ii) General Meeting required		
Publication of the open offer announcement (including timetable) on HKEXnews website	At least 10 business days before the book closure	Day 1
Latest time for lodging transfers of shares in order to qualify for attendance and voting at the general meeting		4:30 p.m. on Day 10
Register of members closes (both days inclusive)		Day 11-15
Record date for attendance and voting at the general meeting	Any day during the book closure period but not later than the day any general meeting is held for such purpose	Day 15
General meeting to approve the proposal		Day 15
Announcement of the result of the general meeting		Day 15
Last day of dealings in securities on cum- entitlement basis	At least one business day after the general meeting	Day 16
Ex-date (the first day of dealings in securities on ex-entitlement basis)	The business day immediately before the record date (when there is no book closure) or two business days before the register of members closes (where there is a book closure)	Day 17

Event	Remarks	Timeline*
Latest time for lodging transfers of shares in order to qualify for the open offer		4:30 p.m. on Day 18
Register of members closes (both days inclusive)		Day 19-23
Record date for open offer	At least three business days after the general meeting	Day 23
Despatch of the listing document and subscription form		Day 24
Latest time for acceptance and payment for offer shares and application for excess offer shares	The offer period should be at least 10 business days.	At a time on Day 34
Latest time for the termination of underwriting agreement (if applicable)		At a time on Day 35
Announcement of the allotment results		Day 39
Despatch of certificates for offer shares and refund cheques		Day 40
Expected first day of dealings in offer shares	The business day immediately after the despatch of certificates	Day 41

Note: Timeline is counted in business days unless otherwise specified

4.16 Checklist for technical and operational matters in relation to an open offer

The issuer is expected to provide affirmative answers to all the questions in the checklist.

** Please delete where inappropriate*

Issue	Checked
1. Book closure/Record date **(G4.2)**:	
i. Is the notice of book closure made at least 10 business days before the closure?	☐

Issue		Checked
	ii. If the open offer requires approval by shareholders in general meeting or is contingent on a transaction that is subject to approval by shareholders in general meeting, is the record date (when there is no book closure) or the last registration date (when there is a book closure) set at least three business days after the general meeting (i.e. at least one cum-trading day will be provided)?	☐
	iii. Are you aware that you must ensure there is at least one trading day for trading in the securities with entitlements to the open offer after publication of the results of the poll?	☐
	iv. Have you complied with the best practices outlined in the Guide on disclosure of record date, book closure and latest time for lodging transfers of shares separately issued by the Exchange?	☐
2.	Offer period: Is the offer period at least 10 business days? If it is over 15 business days, have you consulted the Exchange in advance **(G4.3)** (______ days)	☐
3.	Rights of overseas shareholders: Have you stated clearly whether the offer will be extended to overseas shareholders and if not, the arrangement for the unsubscribed offer shares? (**G4.4**)	☐
4.	Convertible securities: If there is any outstanding equity warrants or convertible securities issued by your company, have you provided the name and stock code of the convertible securities as well as the deadline for the holders of these securities to exercise their rights to be entitled to the offer shares? **(G4.5)**	☐
5.	Information to be disclosed: In your announcement, do you provide the following details of the open offer? **(G4.6)**	
	i. Record date: ____________*dd/mm/yyyy* (if the identity of qualified shareholders is not determined at the close of business on this day, please specify the Hong Kong time ______*hh:mm)* (if general meeting is required, the record date for attendance and voting at the general meeting must also be provided)	☐
	ii. Book closure period: from ____________*dd/mm/yyyy* to ____________ *dd/mm/yyyy*, both days inclusive	☐
	iii. Latest time for lodging transfers of shares: by ______*hh:mm* on ____________*dd/mm/yyyy*	☐
	iv. Open offer ratio: ______ offer shares for every ______ shares held	☐
	v. Issue size of open offer: ___________ shares	☐

Issue		Checked
	vi. Subscription price per offer share: _______ (Please specify the currency _______. In case it is a foreign currency, please specify an equivalent HK$_______ amount for shareholders' easy reference.)	☐
	vii. Despatch date of the subscription forms and the offer document: on / on or before* _____________*dd/mm/yyyy*	☐
	viii. Despatch date of the offer shares: on / on or before* _____________*dd/mm/yyyy*	☐
6.	Basis of allocation of excess shares: Have you disclosed the basis of allocation of the excess shares? **(G4.7)**	☐
7.	Treatment of fractions: Have you specified the conditions applying to the treatment of fractions in the calculation of resultant offer shares? **(G4.8)** Whole multiple / pro-rata basis*	☐
8.	Other corporate actions (if applicable): Are there other corporate actions during the same period? If so, have you stated clearly in the circular (if any) and the listing document the open offer ratio on a post-event basis and the par value (if applicable) of the resultant shares? (**G4.9**)	☐
9.	Typhoon, Extreme Conditions or black rainstorm arrangements (if applicable): Have you stated the contingency arrangement for typhoons, Extreme Conditions or black rainstorms in the circular (if any) and the listing document? **(G4.10)**	☐
10.	CCASS eligibility: Have you included the statement about the admission of the offer shares as CCASS eligible securities? **(G4.11)**	☐
11.	Top-up arrangement: Have you alerted the beneficial owners who hold their securities through a nominee company of the fact that the top-up arrangement would not be extended to them individually and reminded them to take appropriate action? **(G4.12(i))**	☐
12.	Application tier arrangement (if applicable): Have you reminded shareholders that it is the responsibility of beneficial owners who hold shares through a registered nominee company to comply with the application tier requirement and that registered nominee companies would be exempted from the application tier requirement? **(G4.12 (ii))**	☐
13.	Underwriting / declaration: Are you aware of the fact that nominee companies are not in a position to provide any undertaking / declaration or deemed representation at the time of making the subscription for assured entitlement or excess offer shares in relation to matters about the beneficial owners? **(G4.13)**	☐

Issue	Checked
14. Treasury shares and repurchased shares pending cancellation: Have you disclosed (i) the number of treasury shares held by the issuer (including any treasury shares held or deposited with CCASS) and/or repurchased shares pending cancellation (if any); and (ii) that such shares would not receive any offer shares? For an issuer incorporated in a jurisdiction which requires repurchased shares to be held in the issuer's own name in order to be classified as treasury shares, have you withdrawn the treasury shares deposited with CCASS pending resale on the Exchange and either re-registered them in your own name as treasury shares or cancelled them? **(G4.14)**	☐
15. Expected timetable: Have you included all the relevant events as illustrated in the timetable in relation to the open offer? **(G4.15)**	☐

5. Share consolidation / subdivision[21]

5.1 Basic concept: Occasionally an issuer may restructure its issued share capital by changing the quantity of shares issued and/or the par value (if applicable) of shares, including through:

i. **A share subdivision**, which is an increase in the issuer's number of issued shares by dividing its existing shares proportionally into multiple subdivided shares. It will result in the proportionate reduction of the market price per subdivided share.

ii. **A share consolidation**, which is a decrease in the issuer's number of issued shares by merging its existing shares proportionally into new consolidated shares. It will result in the proportionate increase of the market price per consolidated share.

5.2 Effective date: The issuer should specify the effective date of the share consolidation or subdivision and the commencement date of trading of consolidated or subdivided shares in its announcement or circular, and highlight this information in the respective timetable, and that such effective date will remain unchanged even if that day is a severe weather trading day. In general, the corporate action should become effective as soon as all applicable conditions are met. However, to allow sufficient time for market intermediaries (i.e. stockbrokers and custodian banks) to make appropriate adjustments to their internal systems, the effective date should be one clear business day after the general meeting in relation to the proposal for share consolidation or subdivision. For the avoidance of doubt, the effective date should be expressed in Hong Kong time.

5.3 Announcement of meeting results: The issuer should announce the results of the general meeting in relation to the proposal for share consolidation or subdivision as soon as possible, but in any event at least 30 minutes before the earlier of either the commencement of the morning trading session or any pre-opening session on the business day after the meeting.[22]

5.4 Share price after consolidation / subdivision: Issuers should observe the Listing Rules when setting details of the proposed share consolidation or subdivision: (i) Rule 13.64 / GEM Rule 17.76 states that the Exchange reserves the right to require the issuer to either change its trading method or to proceed with a consolidation of its securities where the market price of the securities approaches the extremities of HK$0.01, which the Exchange considers to be any trading price less than HK$0.10; and (ii) Rule 13.64A / GEM Rule 17.76A provides that issuers must not undertake a subdivision if its adjusted share price after subdivision is less than HK$1 based on the lowest daily closing price of the shares during the six-month period before the announcement of the subdivision.

5.5 New board lot size: In determining the new board lot size for the consolidated / subdivided shares, the issuer should note the following:

i. For issuers of Applicable Securities:

(a) The issuer should select a new board lot unit from the specified set of 8 options: 1, 50, 100, 500, 1,000, 2,000, 5,000, and 10,000 share(s);

21 Also applicable to warrant subdivisions or consolidations
22 MB Rule 13.39(5) / GEM Rule 17.47(5)

(b) The expected board lot value should be greater than HK$1,000, taking into account the minimum transaction costs for a securities trade; and

(c) The issuer whose board lot size is greater than 100 shares[23], the expected board lot value should be less than HK$50,000.

ii. For all issuers, irrespective of whether they are issuers of Applicable Securities:

(a) The issuer should select a new board lot size which will minimise the creation of odd lots;

(b) The new board lot should be an integral multiple of the original board lot size for an increase in board lot size; or an integral divisor for a decrease in board lot size;

(c) The new board lot must be less than 900,000 shares; and

(d) The issuer should comply with the applicable board lot value requirement set out in the Listing Rules.

5.6 Free exchange of certificates: The period of the free exchange of share certificates should be clearly stated in the disclosure material. The free exchange period generally lasts for five weeks, starting from the effective date and ending at least two business days after the last day of parallel trading. For clarity, the latest time for submission of share certificates for free exchange as well as the name and address of share registrars should be provided.

5.7 New share certificates: To avoid confusion in physical settlement, it is advised that new share certificates should be different from old share certificates as far as possible in terms of design and colour. The colour of the old and new certificates should be clearly stated in the disclosure material. The new share certificates should be made available on or before the first day of parallel trading.

5.8 Old share certificates: Issuer circulars on the share consolidation or subdivision must clearly state the following:

i. Existing share certificates will continue to remain good evidence of legal title; and

ii. Whether or not the old share certificates are still valid for trading; and if not, the date from which the old share certificates will cease to be valid for delivery, trading and settlement purposes.

5.9 Parallel trading: During the period of free exchange of share certificates, the Exchange will set up a parallel trading arrangement to facilitate trading of the respective securities in the form of existing and new share certificates. The parallel trading period normally lasts for at least three weeks. A typical parallel trading arrangement involves three stages:

i. Stage 1: On the effective date of the share consolidation or subdivision, a temporary trading counter is set up for trading of the consolidated / subdivided shares in the form of old share certificates in a temporary board lot size (see **G5.10**). The original trading counter is temporarily closed.

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23 For the avoidance of doubt, where an issuer of Applicable Securities selects a board lot size of 100 shares or less, such an issuer would not be expected to observe the board lot value ceiling guidance.

ii. Stage 2: After 10 business days, the original trading counter is reopened for trading of the consolidated / subdivided shares in the form of new share certificates in the new board lot size. Parallel trading is conducted simultaneously in the original counter (new stock certificates) and in the temporary counter (old share certificates).

iii. Stage 3: After three weeks, the parallel trading comes to an end and the temporary trading counter is closed. Trading of consolidated / subdivided shares in new share certificates in the new board lot size will be effected in the original counter only. The old share certificates will, if applicable, cease to be valid for delivery, trading and settlement purposes but will remain effective as document of title.

5.10 Board lot size in temporary trading counter: To ensure one board lot in the temporary counter is equivalent to one board lot before the consolidation / subdivision, the board lot size in the temporary counter should be set according to the following formula:

$$\text{Temporary board lot size} = \frac{\text{Existing board lot size}}{\text{Basis of consolidation / subdivision}}$$

For example, a 2-into-1 share consolidation

Existing board lot size	=	1,000 old shares
New board lot size	=	2,000 new shares
Temporary board lot size	=	1,000 old shares divided by 2 (i.e. basis of consolidation as determined by the issuer)
	=	500 new shares

	Original trading counter (board lot size 1,000)	**Temporary trading counter (board lot size 500)**
Effective date At least 10 business days	Temporarily closed	Opened for trading of old share certificates, in the temporary board lot size
First day of parallel trading At least three weeks	Trading of new certificates in new board lot size of 2,000	Trading of old share certificates, in the temporary board lot size
After last day of parallel trading	Continue trading of new certificates in new board lot size of 2,000	Closure of temporary trading counter

5.11 Temporary trading counter: The temporary trading counter should be established at least 10 business days before the start of parallel trading (i.e. which is the time required for the standard share registration service in respect of the exchange of share certificates). Otherwise, the issuer is required to make a statement in the relevant announcement / circular to guarantee that new certificates will be available on or before the first day of parallel trading if shareholders lodge their old certificates on the effective date.

5.12 Odd lot arrangement: The Listing Rules require the issuer to make appropriate arrangements to enable odd lot holders either to dispose of their odd lots or to round them up to a board lot (**Odd lot arrangement**).

During the parallel period, the issuer is required to appoint a broker as its agent to match the sales and purchases of odd lots or for the major shareholder itself or through its agent to stand in to buy or sell odd lot securities. The particular circumstances of an issuer may dictate the method by which odd lot holders are to be accommodated. If necessary, issuers can consult the Exchange on their preferred odd lot programme. [24]

5.13 CCASS eligibility: The issuer should include in the circular the following paragraph or a similar paragraph to the same effect:

"Subject to the granting of listing of, and permission to deal in, the securities on the Stock Exchange, the securities will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the consolidated / subdivided securities on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time."

5.14 Sample timetable for share consolidation / subdivision: The following table is compiled strictly as a sample for issuers' reference. It contains various assumptions which may not apply to the specific case of a particular share consolidation / subdivision. Depending on the individual requirement of each exercise, the issuer should make modifications thereto.

Event	Remarks	Timeline*
General meeting to approve the proposed share consolidation / subdivision		Day 1
Publication of issuer announcement of the result of the general meeting in respect of the approval of the share consolidation / subdivision		Day 1
Effective date of the share consolidation / subdivision	One clear business day after the general meeting	Day 3
First day of free exchange of existing share certificates for new share certificates for consolidated / subdivided shares	Commences on or before the Effective Date and lasts for at least five weeks	Day 3
Dealing in consolidated / subdivided shares commences		9:00 a.m., Day 3

24 MB Rule 13.65 / GEM Rule 17.77

Event	Remarks	Timeline*
Original counter for trading in existing shares temporarily closes		9:00 a.m., Day 3
Temporary counter for trading in consolidated / subdivided shares (in the form of existing share certificates) opens	At least 10 business days before the start of parallel trading	9:00 a.m., Day 3
Original counter for trading in consolidated / subdivided shares (in the form of new share certificates for consolidated / subdivided shares) re-opens		Day 13
Parallel trading commences on	Lasts for at least three weeks	Day 13
Odd lot arrangement (if applicable)	Same as parallel trading period	Day 13 to Day 27
Temporary counter for trading consolidated / subdivided shares (in the form of existing share certificates) closes		Market closing time^, Day 27
Last day for free exchange of share certificates	At least two business days after the last day for parallel trading	Day 29 or later

* Note: Timeline is counted in business days unless otherwise specified

^ With the introduction of Closing Auction Session (**CAS**), the market closing times are as follows:

	Full Day	Half-day
Non-CAS securities	4:00 p.m.	12:00 noon
CAS securities	4:10 p.m.	12:10 p.m.

5.15 <u>Checklist for technical and operational matters in relation to a share consolidation / subdivision</u>

The issuer is expected to provide affirmative answers to all the questions in the checklist.

** Please delete where inappropriate*

Issue	Checked
1. <u>Effective date</u>: Have you clearly indicated the effective date and the commencement of the trading of consolidated / subdivided shares in the respective issuer announcement or circular? **(G5.2)**	
▪ Effective Date: ____________*dd/mm/yyyy*, Hong Kong time	☐

Issue		Checked
	▪ Commencement of trading on ____________*dd/mm/yyyy*, Hong Kong time	☐
2.	<u>Announcement of meeting results</u>: Will the meeting results be announced to the market as soon as possible (i.e. at least 30 minutes before the earlier of either the commencement of the morning trading session or any pre-opening session on the business day after the meeting)? **(G5.3)**	☐
3.	<u>Stock price after consolidation / subdivision</u>: Is the expected market price of (i) the consolidated shares above HK$0.1 or (ii) the subdivided shares above HK$1? **(G5.4)**	☐
4.	<u>New board lot size</u>: In respect of the new board lot size for the consolidated / subdivided shares **(G5.5)**,	
	▪ If you are an issuer of Applicable Securities, have you selected the new board lot unit from one of the specified set of 8 options (i.e. 1, 50, 100, 500, 1,000, 2,000, 5,000, and 10,000 share(s))?	☐
	▪ If you are an issuer of Applicable Securities, is the expected board lot value greater than HK$1,000?	☐
	▪ If you are an issuer of Applicable Securities selecting a board lot unit of greater than 100 shares, is the expected board lot value smaller than HK$50,000?	☐
	▪ Have you selected a board lot size which will minimise the creation of odd lots?	☐
	▪ Is the new board lot size an integral multiple / an integral divisor of the original one? (Board lot size: existing _______ *shares*; new _______ *shares)*	☐
	▪ Is it less than 900,000 shares?	☐
	▪ Have you complied with the applicable board lot value requirement set out in the Listing Rules?	☐
5.	<u>Free exchange of share certificates</u> **(G5.6)**:	
	▪ Does it commence on the effective date? (____________*dd/mm/yyyy)*	☐
	▪ Does it end at least two business days after the last day of parallel trading? (____________*dd/mm/yyyy)*	☐

Issue	Checked
▪ Have you specified the latest time for submission of share certificate for free exchange? (at ______*hh:mm on* _____________*dd/mm/yyyy)*	☐
▪ Have you provided the name and address of the share registrar?	☐
6. <u>New share certificates</u> **(G5.7)**:	
▪ Have you stated the colours of the existing and new share certificates in the circular? (existing certificates: ______; new certificates: ______)	☐
▪ Are the existing and new stock certificates different in colour and design?	☐
▪ Will the new share certificates be ready for shareholders' collection before the start of parallel trading?	☐
7. <u>Old share certificates</u>: Have you clearly stated the following facts in the circular **(G5.8)**,	
▪ The old share certificates will continue to be good evidence of legal title?	☐
▪ If it is decided that the old share certificate will no longer be valid for trading, the date from which the old share certificates will cease to be valid for delivery, trading and settlement purposes? (_____________*dd/mm/yyyy)*	☐
8. <u>Parallel trading</u>: In relation to the parallel trading, does the parallel trading period last for at least three weeks? **(G5.9)** (______days)	☐
9. <u>Temporary board lot size</u>: Have you calculated the board lot size in the temporary counter correctly as per the formula **(G5.10)**? (Temporary board lot size: ______ shares)	☐
10. <u>Temporary trading counter</u>: Is the temporary trading counter established at least 10 business days before the first day of parallel trading? **(G5.11)**	☐
11. <u>Odd lot arrangement</u>: Have you included a paragraph about the odd lot arrangement to match the sales and purchases of odd lots? **(G5.12)**	☐
12. <u>CCASS eligibility</u>: Does the circular contain the required statement in relation to the admission of the consolidated / subdivided shares as CCASS eligible securities? **(G5.13)**	☐
13. <u>Expected timetable</u>: Have you included all the relevant events as illustrated in the timetable in relation to the share consolidation / subdivision? **(G5.14)**	☐

6. Change in board lot size

6.1 Basic concept: A board lot is the standard number of shares / units that constitutes one lot for trading in a particular security. Orders placed to the Exchange's cash market trading system for auto-matching must be a board lot or a multiple of a board lot.

6.2 With effect from 2 July 2026, the Exchange adopts a standardised set of board lot units of eight options: 1, 50, 100, 500, 1,000, 2,000, 5,000, and 10,000 share(s).

6.3 Standardisation of board lot unit: Each existing issuer of the Applicable Securities that is not using any of the eight board lot units mentioned above is required to change its board lot unit to one of these eight options within six months after the completion of its transition to USM[25].

6.4 Effective date: To allow sufficient time for shareholders to make appropriate adjustments to their shareholding, the effective date of the new board lot size should be at least 15 business days after the publication of the announcement in relation to the proposal. The timeframe must be clearly spelt out in the announcement or circular and highlighted in the timetable.

6.5 New board lot size: In determining the new board lot size, the issuer should note the following:

i. For issuers of Applicable Securities:

(a) The issuer should select a new board lot unit from the specified set of 8 options: 1, 50, 100, 500, 1,000, 2,000, 5,000, and 10,000 share(s);

(b) The expected board lot value should be greater than HK$1,000, taking into account the minimum transaction costs for a securities trade; and

(c) The issuer whose board lot size is greater than 100 shares[26], the expected board lot value should be less than HK$50,000.[27]

ii. For all issuers, irrespective of whether they are issuers of Applicable Securities:

(a) The issuer should select a new board lot size which will minimise the creation of odd lots;

(b) The new board lot should be an integral multiple of the original board lot size for an increase in board lot size; or an integral divisor for a decrease in board lot size;

(c) The new board lot must be less than 900,000 shares; and

(d) The issuer should comply with the applicable board lot value requirement set out in the Listing Rules.

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25 The scope of USM currently in general includes issuers incorporated in Hong Kong, the Chinese Mainland, Bermuda, or Cayman Islands. For the avoidance of doubt, issuers incorporated in other jurisdictions will also only be required to adopt one of the standardised board lot units within six months of completing the USM transition process.

26 For the avoidance of doubt, where an issuer of Applicable Securities selects a board lot size of 100 shares or less, such an issuer would not be expected to observe the board lot value ceiling guidance.

27 Issuers of Applicable Securities that are not Specified Prescribed Securities under the USM regime would not be expected to observe the board lot value ceiling guidance until they are able to elect to undertake an earlier USM transition.

6.6 Odd lot arrangement: The Listing Rules require the issuer, in the case of a change in board lot size, to make appropriate arrangements to enable odd lot holders either to dispose of their odd lots or to round them up to a board lot. The issuer may appoint a broker as its agent to match the sales and purchases of odd lots or for the major shareholder itself or through its agent to stand in to buy or sell odd lot securities. The particular circumstances of an issuer may dictate the method by which odd lot holders are to be accommodated. Issuers are urged to consult the Exchange at the earliest opportunity to agree on the appropriate odd lot programme. [28] The odd lot arrangement is offered during the parallel trading period. Irrespective of the existence of parallel trading, the odd lot arrangement should last for at least three weeks.

6.7 Free exchange of stock certificates: The issuer needs to decide whether or not to issue new stock certificates (see **G6.8**). If new share certificates are to be issued, there should be free exchange of share certificates provided to shareholders. The free exchange period should commence 10 business days before the effective date and cease at least two business days after the end of parallel trading. If there is no parallel trading, the free exchange period should last at least one month. The free exchange period should be clearly stated in the issuer's announcement or circular. For clarity, the latest time for submission of share certificates for free exchange as well as the name and address of share registrars should be provided.

6.8 New share certificates: The issuer circular should indicate the colour of the new and old share certificates (which can be the same).

6.9 Old stock certificates: The issuer should indicate in the respective announcement and circular that the old share certificates will

i. remain good evidence of legal title; and

ii. continue to be valid for delivery, trading and settlement purposes in the case of a change in board lot size.

6.10 Parallel trading: a change of board lot size may or may not require parallel trading, subject to the need for new share certificates. The duration of parallel trading usually lasts at least three weeks. For issuers which completed their transition to USM, parallel trading is not required upon change of board lot size.

Situation	Exchange of certificates required?	Parallel trading required?	Reason
Increase by a small integral multiple of existing board lot	Optional	No	Old stock certificates can be stapled together for trading
Increase by a large integral multiple of existing board lot	Optional	Optional	Could be too inconvenient to deliver piles of stock certificates during settlement
Increase by a non-integral multiple of existing board lot	Mandatory	Yes	To eliminate odd lots

[28] MB Rule 13.65 / GEM Rule 17.77

Decrease of existing board lot	Mandatory	Yes	To avoid trading in special lots

6.11 Sample timetable for change in board lot size: The following table is compiled strictly as a sample for issuers' reference. It contains various assumptions (e.g. parallel trading) which may not apply to a specific case of a change in board lot size. Depending on the individual requirements of each exercise, the issuer should make necessary modifications.

Event	Remarks	Timeline*
Publication of the announcement		Day 1
First day of free exchange of share certificates	Commences 10 business days before the effective date and lasts for at least one month	Day 6
Last day for trading of the shares with old board lot size in the original counter	The business day before effective date	Day 15
Effective date of the new board lot size	At least 15 business days after the announcement date	Day 16
Original counter for trading in existing board lot size becomes a counter for trading in the new board lot size	On the effective date	9:00 a.m., Day 16
Temporary counter for trading in old board lot size opens		9:00 a.m., Day 16
First day of parallel trading		9:00 a.m., Day 16
Odd lot arrangement (if applicable)	Provided during the parallel trading period. Lasts at least three weeks	Day 16 to Day 30
Temporary counter for trading in old board lot size closes	Lasts at least three weeks	4:00 p.m. Market closing time^, Day 30
Last day for free exchange of share certificates	Ends at least two business days after the last day of parallel trading	Day 32

* Note: Timeline is counted in business days unless otherwise specified

^ With the introduction of CAS, the market closing times are as follows:

	Full Day	**Half-day**
Non-CAS securities	4:00 p.m.	12:00 noon
CAS securities	4:10 p.m.	12:10 p.m.

6.12 Checklist for technical and operational matters in relation to a change in board lot size

The issuer is expected to provide affirmative answers to all the questions in the checklist.

** Please delete where inappropriate*

Issue	**Checked**
1. Effective date: Have you clearly indicated the effective date of the change in board lot size in the respective issuer announcement or circular (which should be at least 15 business days after the publication of the respective issuer announcement in relation to the proposal)? **(G6.4)** (____________*dd/mm/yyyy*. If it is not in Hong Kong time, please indicate the equivalent Hong Kong time ____________*dd/mm/yyyy, Hong Kong time)*	☐
2. New board lot size: In respect of the new board lot size for the securities **(G6.5)**,	
▪ If you are an issuer of Applicable Securities, have you selected the new board lot unit from one of the specified set of 8 options (i.e. 1, 50, 100, 500, 1,000, 2,000, 5,000, and 10,000 share(s))?	☐
▪ If you are an issuer of Applicable Securities, is the expected board lot value greater than HK$1,000?	☐
▪ If you are an issuer of Applicable Securities selecting a board lot size of greater than 100 shares, is the expected board lot value smaller than HK$50,000?	☐
▪ Have you selected a board lot size which will minimise the creation of odd lots?	☐
▪ Is the new board lot size an integral multiple / an integral divisor of the original one? Board lot size: Existing ______ *shares / units*; New ______ *shares / units*	☐
▪ Is it less than 900,000 shares / units?	☐
▪ Have you complied with the applicable board lot value requirement set out in the Listing Rules?	☐

Issue		Checked
3.	<u>Odd lot arrangement:</u> Have you included the paragraph about the odd lot arrangement to match the sales and purchases of odd lots? **(G6.6)**	☐
4.	<u>Free exchange services</u>: In relation to the free exchange services for share certificates **(G6.7)**	
	▪ Does it commence at least 10 business days before the effective date? (____________*dd/mm/yyyy*)	☐
	▪ Does it end at least two days after the last day of parallel trading? (____________*dd/mm/yyyy*)	☐
	▪ Have you specified the latest time for submission of share certificate for free exchange? (at ______*hh:mm on* ____________*dd/mm/yyyy*)	☐
	▪ Have you provided the name and address of the share registrar?	☐
	▪ Will the new stock certificates be ready for shareholders' collection before the start of parallel trading?	☐
5.	<u>New share certificates</u>: Have you stated the colours of the existing and new share certificates in the circular? **(G6.8)** (existing certificates: ______; new certificates: ______)	☐
6.	<u>Old share certificates (if applicable)</u>: Have you clearly stated the following in the circular **(G6.9)**	
	▪ the old share certificates will continue to be good evidence of legal title?	☐
	▪ the old share certificates will continue to be valid for delivery, trading and settlement purposes?	☐
7.	<u>Parallel trading</u>: In relation to the parallel trading **(G6.10)**	
	▪ Have you completed the transition to USM? If yes, parallel trading is not required upon change of board lot unit.	☐
	▪ Is the temporary counter established at least 10 business days before the first day of parallel trading? (______business days)	☐
	▪ Does the parallel trading period last at least three weeks? (______days)	☐
8.	<u>Expected timetable</u>: Have you included all the relevant events as illustrated in the timetable in relation to the change in board lot size (**G6.11**)?	☐

7. Change of company name / addition of Chinese name

7.1 Basic concept: Occasionally an issuer may change its name. In most cases, this is due to a change in the business scope of the issuer, such as expansion into a new business or service areas, or the completion of a significant transaction, a corporate takeover or merger. In addition, an issuer with only an English name may opt to add a Chinese name. In these cases, the issuer needs to solicit the approval of shareholders as governed by the issuer's memorandum (where applicable) and/or articles of association (or equivalent constitutional document) and file the new name with the respective company registry in its place of incorporation.

7.2 Supporting materials: When notifying the Exchange of the change of its corporate name / addition of a Chinese name, the issuer should provide the Certificate of Change of Name issued by the Company Registry in the place of incorporation. If the issuer is an overseas incorporated company, it should provide the following supporting materials:

i. the Certificate of Incorporation issued by Company Registry in the place of incorporation;

ii. the Certificate of Registration of Change of Corporate Name of non-Hong Kong Company issued by the Company Registry in Hong Kong, if applicable; and

iii. a legal opinion allowing the use of the Chinese name in the place of incorporation, if the Chinese name has not been registered there.

7.3 New stock short name: The Exchange will normally notify or confirm with the issuer the changes to trading arrangements, including the new stock short name within three business days after the receipt of the required supporting materials for adoption of the new company name. It is good practice for the issuer to announce the short stock short name to the market as soon as practicable.

7.4 Free exchange of certificates: The issuer should indicate whether or not there will be any arrangement for the free exchange of the old share certificates for new share certificates bearing the new corporate name (if applicable). If there will be a free exchange service, the issuer should indicate the following information in its announcement:

i. the period for free exchange of certificates (which usually more than a month);

ii. the colour of new and old share certificates; and

iii. the name and address of share registrars.

7.5 Old share certificates: The issuer should clearly inform shareholders in the respective announcement or circular that the old share certificate will continue to remain good evidence of legal title. Subject to the decision of the issuer, the existing share certificates bearing the old corporate name may or may not become invalid for delivery, trading and settlement purposes. If it is decided that the old share certificates will not be valid for such purposes, the issuer should clearly state the fact in its announcement and provide the date from which the old share certificates will cease to be valid for such purposes.

7.6 Checklist for technical and operational matters in relation to a change of company name / addition of Chinese name

The issuer is expected to provide affirmative answers to all the questions in the checklist.

** Please delete where inappropriate*

Issue	Checked
1. Notification to the Exchange: Have you provided the following supporting materials to the Exchange? **(G7.2)**	
▪ Hong Kong incorporated company: the Certificate of Change of Name issued by the Company Registry in Hong Kong	☐
▪ Overseas incorporated company:	
a. the Certificate of Incorporation issued by Company Registry in the place of incorporation;	☐
b. the Certificate of Registration of Change of Corporate Name of non- Hong Kong Company issued by the Company Registry in Hong Kong; and	☐
c. a legal opinion allowing the use of Chinese name in the place of incorporation if the Chinese name has not been registered there.	☐
2. Free exchange service: Have you included the paragraph about whether or not there will be free exchange of share certificates provided to shareholders? **(G7.4)** If there will be a free service for the exchange of certificates, have you stated:	
▪ The period of the free exchange service? (from _____________dd/mm/yyyy to _____________dd/mm/yyyy, both days inclusive)	☐
▪ The colour of existing and new share certificates? (existing certificates: ______; new certificates: ______)	☐
▪ The name and address of the share registrar?	☐
3. Old share certificates: Have you included the following paragraphs to inform shareholders about the facts: (**G7.5**)	
▪ the share certificates bearing the old company name will continue to be a good evidence of legal title	☐

▪	whether or not the share certificates bearing the old company name will continue to be valid for delivery, trading and settlement purposes (If not, indicate the date from which the share certificates will cease to be valid for such purposes: ____________*dd/mm/yyyy*)	☐

Important note:

This guide 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 guide 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 guide.