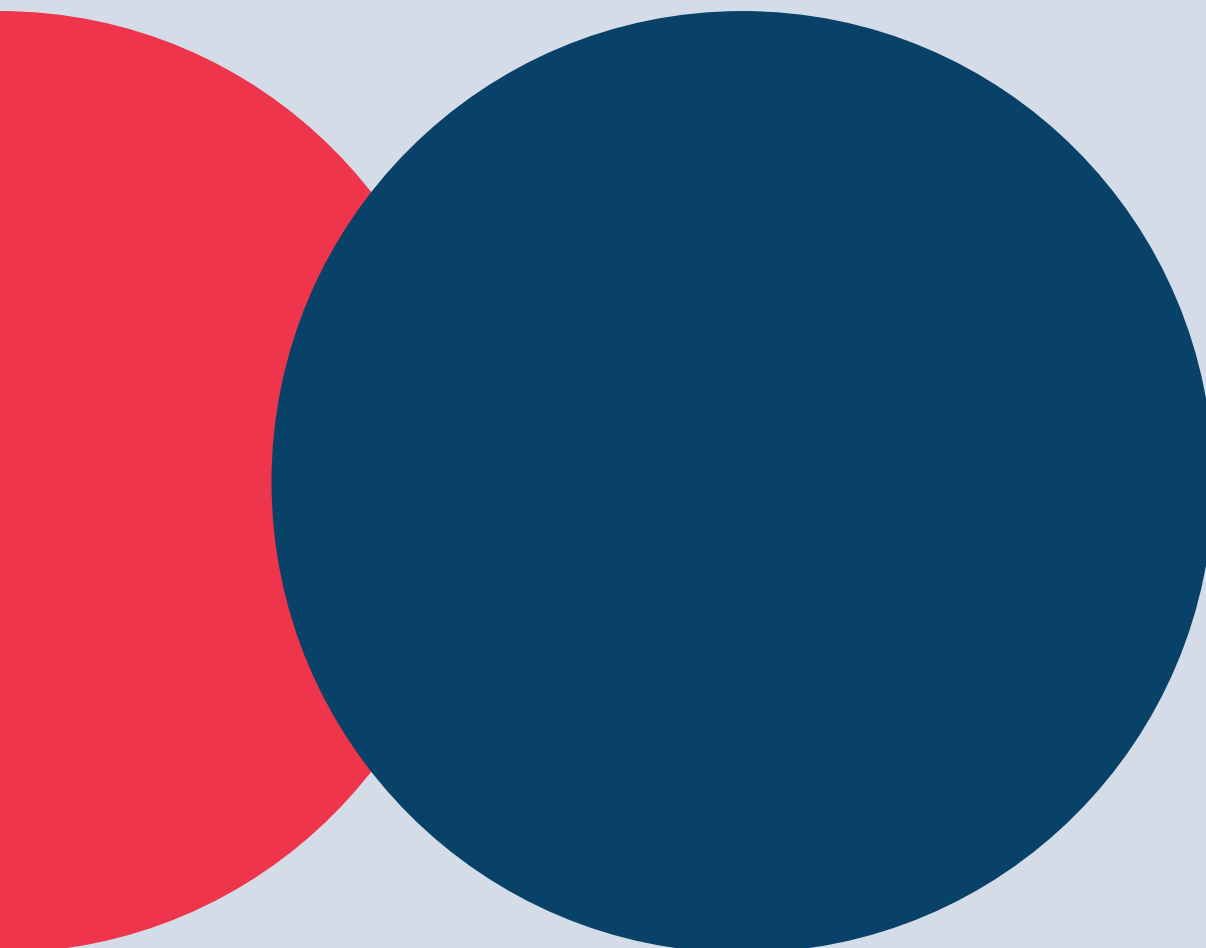


August 2019

CONSULTATION PAPER

CODIFICATION OF GENERAL WAIVERS AND
PRINCIPLES RELATING TO IPOS AND LISTED ISSUERS
AND MINOR RULE AMENDMENTS



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HOW TO RESPOND TO THIS CONSULTATION PAPER

We, The Stock Exchange of Hong Kong Limited (the **Exchange**), a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited (**HKEX**), invite written comments on the matters discussed in this paper, or comments on related matters that might have an impact upon the matters discussed in this paper, on or before **27 September 2019 (Friday)**. You may respond by completing the questionnaire which is available at: <http://www.hkex.com.hk/-/media/HKEX-Market/News/Market-Consultations/2016-Present/August-2019-Codification-of-General-Waivers/Questionnaire/cp201908q.docx>

Written comments may be sent:

By mail or hand delivery to: Corporate Communications Department
Hong Kong Exchanges and Clearing Limited
8th Floor, Two Exchange Square
8 Connaught Place, Central
Hong Kong
Re: Consultation Paper on Codification of General Waivers and Principles Relating to IPOs and Listed Issuers and Minor Rule Amendments

By fax to: (852) 2524 0149

By e-mail to: response@hkex.com.hk

Please mark in the subject line:

Re: Consultation Paper on Codification of General Waivers and Principles Relating to IPOs and Listed Issuers and Minor Rule Amendments

Our submission enquiry number is (852) 2840 3844.

Respondents are reminded that we will publish responses on a named basis in the intended consultation conclusions. If you do not wish your name to be disclosed to members of the public, please state so when responding to this paper. Our policy on handling personal data is set out in Appendix IV.

Submissions received during the consultation period by **27 September 2019 (Friday)** will be taken into account before the Exchange decides upon any appropriate further action and a consultation conclusions paper will be published in due course.

DISCLAIMER

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DEFINITIONS

TERM	DEFINITION
“Application Proof”	A draft listing document that is required to be substantially complete and is submitted to the Exchange by a new listing applicant together with a listing application form for listing its equity securities
“Companies Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the laws of Hong Kong)
“GEM”	GEM of the SEHK
“GEM Rules” or “GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM
“General Waiver”	A waiver from the Rules with general effect approved by the SFC pursuant to Rule 2.04 of the Main Board Listing Rules (Rule 2.07 of the GEM Listing Rules)
“Exchange” or “SEHK”	The Stock Exchange of Hong Kong Limited
“HKMA”	Hong Kong Monetary Authority
“IPO”	Initial public offering
“Main Board”	The main board of the SEHK
“Main Board Rules” or “Main Board Listing Rules”	The Rules Governing the Listing of Securities on Main Board
“Professional Accountants Ordinance”	Professional Accountants Ordinance (Cap. 50 of the laws of Hong Kong)
“Rules” or “Listing Rules”	Collectively, the Main Board Rules and the GEM Rules
“SFC”	Securities and Futures Commission
“SFO”	Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)

EXECUTIVE SUMMARY

1. This consultation paper seeks comments on our proposed codification of (i) a number of General Waivers in relation to IPOs and listed issuers whose basis and conditions are unlikely to change or evolve in the foreseeable future; (ii) the principles and conditions underpinning a number of waivers from strict compliance with Rules that have been granted by the Exchange in relation to IPOs and listed issuers on more than one occasion; (iii) minor Rule amendments; and (iv) housekeeping Rule amendments.
2. The principal function of the Exchange is to provide a fair, orderly and efficient market for trading of securities. In discharging the regulatory duties, the Exchange administers and interprets the Rules as they apply to IPOs or listed issuers. From time to time the Exchange may under Main Board Rule 2.04 waive, modify or not require compliance with the Rules in individual cases to suit the circumstances of a particular case.
3. New applicants and listed issuers have applied to the Exchange from time to time for waivers from strict compliance with certain Rules based on their circumstances. The Exchange would assess each waiver application based on the facts and circumstances presented to determine if a waiver should be granted.
4. Over the years the Exchange has been granting a significant number of waivers, including a number of General Waivers which have been granted with the consent of the SFC. Where appropriate, the Exchange has provided guidance through guidance letters and listing decisions to inform the market on circumstances where a waiver is likely to be granted, and the conditions to which such waiver is normally subjected.
5. As stated in Main Board Rule 2.03, the Rules reflect currently acceptable standards in the market place. Accordingly, the Exchange reviews the Rules and guidance from time to time with a view to keep the Rules relevant and up to date in light of changing market conditions. In this connection, the Exchange has undertaken a comprehensive review of the General Waivers as well as specific waivers which have been granted on more than one occasion in the last three years.

General Waivers for Codification

6. The Exchange observed that the basis and conditions for some of the General Waivers in relation to IPOs and listed issuers are unlikely to change and evolve in the foreseeable future. As part of our ongoing effort to further streamline the listing process, the Exchange proposes to codify these General Waivers into the Rules. We invite comments from the market as to whether it is appropriate to codify the relevant General Waivers.
7. We propose to codify the General Waivers relating to the following Rules:
 - publication and distribution of annual results and reports (Main Board Rules

13.46 and 13.49(1));

- shareholder approval requirement for bonus or capitalisation issues by PRC incorporated issuers (Main Board Rule 19A.38);
- calculation of the consideration ratio for PRC incorporated issuers dually listed on the Exchange and a PRC exchange (Main Board Rule 19A.38A); and
- inclusion of stock code in documents (Main Board Rule 13.51A).

General Principles for Codification

8. The Exchange has identified a number of waivers which have been granted on more than one occasion to IPOs and listed issuers on the basis of similar general principles. The Exchange proposes to codify these general principles into the Rules with a view to improve clarity and reflecting the currently acceptable standards in the market.
9. We propose to codify the general principles relating to the following Rules:

Financial disclosure

- disclosure of financial information of subsidiaries and businesses acquired or to be acquired after trading record period (Main Board Rules 4.04(2) and 4.04(4));
- disclosure of financial information by overseas banking companies (Main Board Rule 4.10);
- change of financial year period (Main Board Rule 8.21); and
- publication and distribution of interim results and reports (Main Board Rules 13.48(1) and 13.49(6)).

Acquisition

- acquisition of aircrafts by airline operators (Main Board Rule 14.58(4)).

Incentive Scheme

- share option scheme limit for a listed issuer's subsidiary to be spun-off for separate listing (Main Board Rule 17.03(3)); and
- determination of exercise price of options under a share option scheme adopted by issuers dually listed on the Exchange and a PRC exchange (Main Board Rules 17.03(9) and 19A.39C).

Others

- experience and qualification of company secretary (Main Board Rule 3.28); and

- working capital statement in listing documents and transaction circulars of Main Board issuers that are banking companies or insurance companies (Main Board Rules 8.21A(2), 11.09A and 14.66(10)).

Minor Rule Amendments

10. This paper also contains proposals for a number of minor amendments to the Rules for the purpose of providing greater clarity to the Rules and to codify a number of administrative guidance that is currently provided in guidance letters or listing decisions.

Housekeeping Rule Amendments

11. We also propose to make a number of housekeeping amendments to the Rules. These amendments are intended to improve clarity of the Rules, to correct clerical errors and/ or update outdated references, and do not involve questions of policy.

General

12. Response to this paper should be submitted to us by 27 September 2019 (Friday). The Exchange will take into account these responses and comments before publishing the conclusions paper with the final Rule amendments.

CHAPTER 1: INTRODUCTION

Background

13. The principal function of the Exchange is to provide a fair, orderly and efficient market for trading of securities. In discharging the regulatory duties, the Exchange administers and interprets the Rules as they apply to IPO or listed issuers.
14. As stated in Main Board Rule 2.03, the Rules reflect currently acceptable standards in the market place. Accordingly, the Exchange reviews the Rules and guidance from time to time with a view to keeping the Rules relevant and up to date in light of the changing market conditions.
15. In its administration of the Rules, the Exchange from time to time may under Main Board Rule 2.04 waive, modify or not require compliance with the Rules in individual cases to suit the circumstances of a particular case. Over the years a significant number of waivers have been granted in relation to IPOs and listed issuers, including a number of General Waivers with the endorsement of the SFC.
16. Against this background, the Exchange has conducted a comprehensive review of the General Waivers as well as specific waivers which have been granted on more than one occasion in the last three years with a view to improving clarity of the Rules and seeking to ensure that the Rules reflect the currently acceptable standards in the market. Based on the review, the Exchange proposes to codify a number of General Waivers as well as the general principles underpinning a number of repeated waivers into the Rules. We also propose to make a number of minor amendments to the Rules as well as housekeeping Rule amendments. The Exchange invites comments from the market on the proposed Rule amendments.
17. This paper is divided into five chapters. Chapter 1 provides a short introduction to the proposals in this paper. Chapter 2 sets out the General Waivers in relation to IPOs and listed issuers proposed for codification. Chapter 3 sets out the general principles and conditions in relation to waivers granted to IPOs and listed issuers proposed for codification. Chapter 4 discusses proposed minor amendments to the Rules. Chapter 5 sets out several housekeeping Rule amendments that are straightforward and do not involve questions of policy, which are intended to improve clarity of the Rules and to correct clerical errors and/ or update outdated references.
18. The proposed Rule amendments for the proposals in Chapters 2 and 3 are set out in Appendix I to this paper. The minor Rule amendments for the proposals in Chapter 4 are set out in Appendix II. The housekeeping Rule amendments for the proposals in Chapter 5 are set out in Appendix III.
19. Unless otherwise specified, the Rules cited in this paper refer to the Main Board Rules. The issues and proposals apply equally to the GEM Rules, unless otherwise stated.

CHAPTER 2: PROPOSED GENERAL WAIVERS FOR CODIFICATION

20. This Chapter sets out the General Waivers in relation to IPOs and listed issuers the Exchange proposes to codify into the Rules. The proposed Rule amendments are set out in Appendix I to this paper.

(1) Shareholder approval requirement for bonus or capitalisation issues by PRC incorporated issuers

Relevant Rules

21. Main Board Rule 13.36(1) provides that, subject to certain specific exemptions, any share issuance would require prior shareholder approval. For non-PRC incorporated issuers one such exemption is where an issuer proposes an issuance of shares pro rata to existing shareholdings.
22. Main Board Rule 19A.38 sets out the relevant shareholders' approval requirement for an issuance of shares by PRC incorporated issuers. In contrast to non-PRC incorporated issuers, no exemption is provided under Main Board Rule 19A.38 for a pro rata issue of shares. This rule aligns with the Mandatory Provisions for Companies Listing Overseas ("**Mandatory Provisions**") governing the articles of association of PRC incorporated issuers and which provides that rights conferred on any class of shareholders in the capacity of shareholders may not be varied or abrogated by the company unless approved in separate class meetings.

Issues

23. We note that the Mandatory Provisions has subsequently been interpreted¹ not to require shareholder approval where a PRC issuer makes a bonus or capitalization issue of shares, as such issues do not involve fundraising. Accordingly, we have, with the endorsement of the SFC, granted a General Waiver to PRC incorporated companies from the requirement to obtain shareholders' approval and class meeting approval in such circumstances to align with the updated interpretation of the Mandatory Provisions.

Proposal

24. We propose to codify the existing General Waiver to specifically exempt bonus or capitalisation issues by a PRC issuer from shareholder approvals in general meetings and separate class meetings.

¹ Listing Decision HKEX-LD99-5.

Question 1: Do you agree with our proposal to codify the existing General Waiver such that bonus or capitalisation issues by a PRC incorporated issuer are exempted from shareholders' approvals in general meetings and separate class meetings?

(2) Calculation of the consideration ratio for PRC incorporated issuers dually listed on the Exchange and a PRC exchange

Relevant Rules

25. The Rules require listed issuers to classify notifiable and connected transactions based on the highest of the percentage ratios² set out in Main Board Rule 14.07. The consideration ratio is one of the five percentage ratios, calculated by dividing the consideration by the total market capitalisation of the listed issuer.

Issues

26. In respect of a PRC incorporated issuer with some of its equity securities (A or B shares) listed on a PRC exchange, the market price of its shares listed on a PRC exchange may be different from the market price of its shares listed on the Exchange. The Exchange, with the endorsement of the SFC, have granted a General Waiver to modify the calculation of the market capitalisation of its A or B shares (i.e. the class listed on a PRC exchange) by referencing the market price of the A or B shares (and not the H shares of the issuer listed on the Exchange)³, as this would better reflect the market value of the PRC incorporated issuer.

Proposal

27. We propose to codify the modification provided by the General Waiver into the Rules. The above modification would only apply to a PRC incorporated issuer whose domestic shares are listed on a PRC exchange. In respect of a PRC incorporated issuer with unlisted domestic shares, the market capitalisation of these unlisted shares will continue to be calculated by reference to the average closing price of the H shares for the five business days preceding the transaction since there is no alternative market price for such domestic shares.

Question 2: Do you agree with our proposal to codify the existing General Waiver to modify the calculation of consideration ratio for a PRC incorporated issuer whose domestic shares are listed on a PRC exchange?

² Include the consideration ratio, revenue ratio, assets ratio and equity capital ratio. The profits ratio is required for notifiable transactions and not connected transactions.

³ Listing Decision HKEX-LD83-1.

(3) Inclusion of stock code in documents

Relevant Rules

28. Main Board Rule 13.51A requires a listed issuer to set out its stock code in a prominent position on the cover page or, where there is no cover page, the first page of all announcements, circulars and other documents published by it pursuant to the Rules.

Issues

29. The Exchange has received enquiries on the application of the above Rule to financial reports with glossy cover, and whether displaying the stock code in alternative locations are permitted. The Exchange recognises that the underlying purpose of the Rule (i.e. to prominently highlight the stock code of the listed issuer) could be achieved without strictly requiring the stock code to be displayed on the cover page as long as it is displayed prominently.
30. Accordingly the Exchange, with the endorsement of the SFC, have granted a General Waiver and accepted a modification of the strict wording of the Rule such that the Rule could be satisfied provided that the stock code is displayed prominently in the corporate or shareholder information section of financial reports with glossy cover⁴.

Proposal

31. We propose to add a new note to Main Board Rule 13.51A to state that the Exchange would consider the Rule to be satisfied if the listed issuer's stock code is displayed prominently in the corporate or shareholder information section of financial reports.

Question 3: Do you agree with our proposal to codify the existing General Waiver to allow the listed issuer's stock code to be displayed prominently in the corporate or shareholder information section of financial reports as described in paragraph 30 above?

⁴ FAQs Series 2, No. 3.

CHAPTER 3: PROPOSED GENERAL PRINCIPLES FOR CODIFICATION

32. This Chapter sets out the principles and conditions in relation to waivers granted to IPOs and listed issuers that the Exchange proposes to codify into the Rules as exceptions to the current requirements. The proposed Rule amendments are set out in Appendix I to this paper.

FINANCIAL DISCLOSURE RELATED WAIVERS

(4) Disclosure of financial information of subsidiaries or businesses acquired or to be acquired after trading record period

Relevant Rules

33. Main Board Rules 4.04(2) and 4.04(4) require a new applicant to include in its accountants' report the financial results and financial positions of any subsidiary or business acquired, agreed to be acquired or proposed to be acquired since the date to which its latest audited accounts have been made up in respect of each of the three financial years (or two financial years in the case of new applicants for GEM) immediately preceding the issue of the listing document, or since the incorporation of such subsidiary or the commencement of such business if this occurred less than three years (or two years in the case of new applicants for GEM) prior to such issue, or such shorter period as may be acceptable to the Exchange. The policy rationale of Main Board Rules 4.04(2) and 4.04(4) is to ensure the listing document provides sufficient information on the acquired subsidiaries' or businesses' historical financial performance, material trends and seasonal fluctuations to enable investors to make informed investment decisions.
34. Main Board Rules 4.04(2) and 4.04(4) do not have a materiality threshold. This means that irrespective of the size of the subsidiaries or businesses acquired/ to be acquired, the new applicant must include in its accountants' report the financial information of these subsidiaries or businesses during its trading record period.

Issues

35. The Exchange recognises that a new applicant may encounter difficulties in disclosing the historical financial information of subsidiaries or businesses acquired/ to be acquired in some situations (e.g. it acquired a carved-out business of which separate books and records are not available or not practical to reconstruct; or a business from a third party which allows limited access to the books and records of the business). The Exchange also recognises that where the financial information of the subsidiaries or businesses acquired/ to be acquired is not material to the new applicant, disclosure of the financial results and positions of the acquired subsidiaries or businesses will be of limited value and use to investors.

36. Taking into account the above, the Exchange has in the past granted waivers from strict compliance with Main Board Rules 4.04(2) and 4.04(4) to new applicants under the following conditions⁵:
- (i) the acquisition is not material (i.e. all of the percentage ratios (as defined under Main Board Rule 14.04(9)) for each acquisition are less than 5% by reference to the most recent audited financial year of the new applicant's trading record period);
 - (ii) where the acquisition will be financed by the proceeds raised from the IPO, the new applicant has obtained a certificate of exemption from the SFC from the relevant requirements under paragraphs 32 and 33 of the Third Schedule to the Companies Ordinance; and
 - (iii) with respect to:
 - (a) new applicants whose principal activities involve acquisition of equity securities, the new applicant (1) is not able to exercise any control⁶ and does not have any significant influence over the underlying company or business; and (2) has disclosed in its listing document the reasons for the acquisition and a confirmation that the counterparties and their respective ultimate beneficial owners are independent of the new applicant and its connected persons; or
 - (b) acquisition of a business (including acquisition of an associate and any equity interest in a company other than in the circumstances described in sub-paragraph (iii)(a) above) or a subsidiary, (1) the historical financial information of such business or subsidiary is unavailable, and it would be unduly burdensome for the new applicant to obtain or prepare such financial information; and (2) the new applicant has disclosed in its listing document information required for the announcement for a discloseable transaction under Main Board Rules 14.58 and 14.60 on each acquisition (together, the **"R4.04(2)&(4) Conditions"**).

Proposal

37. We propose to codify the above as exceptions to the requirement under Main Board Rules 4.04(2) and 4.04(4) subject to the new applicant meeting the R4.04(2)&(4) Conditions.

⁵ Guidance Letter HKEX-GL32-12.

⁶ This means the new applicant is not able to exercise or control the exercise of 30% or more of the voting power at general meeting of the underlying company or business, or in a position to control the composition of a majority of the board of directors of the underlying company or business.

Question 4: Do you agree with our proposal to codify the R4.04(2)&(4) Conditions as an exception to Main Board Rules 4.04(2) and 4.04(4) regarding the disclosure of financial information of subsidiaries or businesses acquired or to be acquired after trading record period?

(5) Disclosure of financial information by overseas banking companies

Relevant Rules

38. Main Board Rule 4.10 requires that the financial information to be disclosed in respect of Main Board Rules 4.04 to 4.09 must be in accordance with best practice, which is at least that required to be disclosed in respect of those specific matters in the accounts of a company under the Hong Kong Financial Reporting Standards, International Financial Reporting Standards or China Accounting Standards for Business Enterprises (“**CASBE**”) (in the case of a PRC issuer that has adopted CASBE for the preparation of its annual financial statements), and, in the case of banking companies, the Guideline on the Application of the Banking (Disclosure) Rules issued by the HKMA (the “**Banking Disclosure Guideline**”).

Issues

39. Main Board Rule 4.10 is to ensure that a banking company’s financial disclosure in its listing document adheres to the best practice under the HKMA standards, and that the disclosure standards for banks in Hong Kong are upheld by all new applicants that are banking companies and reflected in their listing documents and other materials filed with the Exchange.
40. The Exchange has in the past received waiver applications from overseas banking applicants from strict compliance with the Banking Disclosure Guidelines⁷ (the “**R4.10 Waiver**”). These new applicants are primarily regulated by an overseas regulator rather than the HKMA, and accordingly are not required to comply with the Banking Disclosure Guidelines.
41. The Exchange acknowledges that requiring overseas banking applicants to strictly comply with the Banking Disclosure Guidelines which they are otherwise not required to follow may not be particularly meaningful if these new applicants are already regulated by an overseas regulator with functions similar to the HKMA and the prescribed disclosure of that overseas regulator already provides a comparable level of all relevant material information for investors. In this context, the Exchange has identified four areas of financial disclosure to be material, namely (i) capital adequacy; (ii) loan quality (including non-performing loans, restructured loans and overdue loans); (iii) loan provisioning; and (iv) guarantees, contingencies and other commitments (“**Key Disclosure Areas**”).
42. Taking into account the above, the Exchange has in the past granted R4.10

⁷ Listing Decision HKEX-LD94-1.

Waivers to new applicants on the following conditions:

- (i) that they are banking companies organised outside Hong Kong and primarily regulated by a regulator which has functions similar to the HKMA and the Exchange is satisfied that the foreign regulator provides adequate supervision to the new applicant; and
- (ii) alternative disclosure with regards to specific items under the Key Disclosure Areas has been made in the listing document and is sufficient for potential investors to make a fully informed investment decision.

Notwithstanding the above, the new applicants are still required to comply with the “*best practice*” standards under Main Board Rule 4.10.

Proposal

43. We propose to codify our practice of granting the R4.10 Waiver to new applicants that are banking companies organised outside Hong Kong and primarily regulated by a regulator which has functions similar to the HKMA, provided that they can demonstrate to the Exchange’s satisfaction that the foreign regulator provides adequate supervision to the new applicant and the alternative disclosure in the listing document with respect to the Key Disclosure Areas is sufficient for potential investors to make a fully informed investment decision.

Question 5: Do you agree with our proposal to codify the R4.10 Waiver as an exception to Main Board Rule 4.10 regarding the disclosure of financial information of the overseas banking companies?

(6) Change of financial year period

Relevant Rules

44. Main Board Rule 8.21(1) provides that the Exchange will not normally consider a listing application if the new applicant (i) has changed the period of its financial year during the most recent financial year (being 12 months) immediately preceding the proposed date of issue of the listing document; or (ii) intends to change the period of its financial year during the period of the profit forecast, if any, or the current financial year, whichever is the longer period.

Issues

45. In the past, the Exchange has received applications for waivers from strict compliance with Main Board Rule 8.21(1) from new applicants that have a different financial year-end date from its subsidiaries and wish to conform its financial year-end date with that of its subsidiaries prior to its proposed listing.
46. Main Board Rule 8.21(1) is to prevent new applicants from changing the period of its financial year to manipulate their trading record such that their financial results could satisfy the requirements under Main Board Rule 8.05, or to avoid

disclosure of material information which could cast concern on its suitability for listing. Accordingly, the Exchange has granted waivers for Main Board Rule 8.21(1)⁸, provided that:

- (i) the new applicant is an investment holding company and the change is to allow the new applicant's financial year be co-terminous with that of all or a majority of its major operating subsidiaries;
- (ii) the proposed change in the financial year end date is not designed to circumvent the requirements under Main Board Rule 8.05; and
- (iii) the proposed change will not materially affect the presentation of financial information or result in any omission of material information that should otherwise be disclosed in the listing document or would be relevant to assessment of the new applicant's suitability (the "**R8.21(1) Conditions**").

Proposal

47. We propose to codify the above as an exception to Main Board Rule 8.21(1), subject to the new applicant meeting the R8.21(1) Conditions.

Question 6: Do you agree with our proposal to codify the R8.21(1) Conditions as an exception to Main Board Rule 8.21(1) regarding the change of financial year period?

(7) Publication of preliminary results announcements and distribution of annual reports and interim reports

Relevant Rules

48. Main Board Rules 13.46, 13.48 and 13.49 set out the distribution, publication and disclosure requirements of financial results and financial reports. In particular:
- (i) Annual results and reports – Main Board Rule 13.49(1) requires an issuer to publish its annual results within three months after its financial year-end. Main Board Rules 13.46(1) and 13.46(2) require, among other things, an issuer to send a copy of its annual report and accounts or summary financial report to its shareholders within four months after its financial year-end.
 - (ii) Interim results and reports – Main Board Rule 13.49(6) requires an issuer to publish its interim results in respect of the first six months of the financial year (the "**Interim Period**") within two months after the end of that Interim Period. Main Board Rule 13.48(1) requires an issuer to send a copy of its interim report or summary interim report in respect of the Interim Period to its shareholders within three months after the end of that Interim Period (together with (i) above, the "**Publication and Distribution**

⁸ Listing Decision HKEX-LD50-2.

Requirements”).

Issues

49. The Publication and Distribution Requirements are applicable to all issuers regardless of the date on which dealings in the securities of the issuer commenced on the Exchange. As such, a new applicant that is listed shortly after the end of its most recent financial year (the “**Latest Financial Year**”) or the six-month period following the most recent audited financial year (the “**Latest Interim Period**”) would be required, shortly after its listing, to publish a preliminary results announcement and distribute a copy of its financial report with respect to the financial results of the Latest Financial Year or the Latest Interim Period, as the case may be.
50. The Publication and Distribution Requirements is to ensure a proper and timely disclosure of all information necessary to investors to make an informed investment decision on the issuer and establish a fair and realistic valuation of securities traded in the market. As such, it may not be particularly meaningful, and would also be unduly burdensome for the issuers that had already disclosed the financial information of its Latest Financial Year or the Latest Interim Period in their listing document to strictly comply with the Publication and Distribution Requirements.
51. The Exchange has, with the endorsement of the SFC, granted a General Waiver for Main Board Rules 13.46 and 13.49(1).
52. The Rules already provides an exception for the Publication and Distribution Requirement with respect to the issuers’ interim results - paragraph 3 of Practice Note 10 to the Main Board Rules (“**PN 10**”) states that an issuer does not need to comply with Main Board Rule 13.49(6) if the results for the Latest Interim Period have been included in the listing document for the purpose of applying for a listing on the Exchange (the “**Interim Results Exemption**”). However, no similar exception was provided for the Publication and Distribution Requirement under Main Board Rule 13.48(1) with respect to the issuers’ interim reports.
53. Taking into account the above, the Exchange considers that exemption similar to those granted under General Waivers for Main Board Rules 13.46 and 13.49(1) and the Interim Results Exemption should also be extended to Main Board Rule 13.48(1).
54. The Exchange has imposed the following conditions for the General Waivers from Main Board Rules 13.46(1), 13.46(2) and/ or 13.49(1) to new applicants who have already disclosed in their listing documents the financial information of the Latest Financial Year and the relevant management discussion and analysis (the “**Annual Results and Reports Waivers**”)⁹:
 - (i) that the new applicant has confirmed in the listing document that the non-

⁹ Guidance Letter HKEX-GL10-09.

compliance with the relevant Publication and Distribution Requirements will not result in breach of its constitutional documents, laws and regulations of its place of incorporation or other regulatory requirements regarding its obligation to publish and/ or distribute annual results announcements and/ or annual reports and accounts; and

- (ii) for waivers with regards to the distribution of annual reports and accounts (i.e. Main Board Rules 13.46(1) and/ or 13.46(2)), the new applicant has disclosed in its listing document a statement as to whether it complies with the Corporate Governance Code in Appendix 14 to the Main Board Rules and, if not, the reason for deviation (together with sub-paragraph (i) above, the “**Annual Results and Reports Waivers Conditions**”).

Proposal

- 55. We propose to (i) codify the modification provided by the General Waivers into Main Board Rules 13.46 and 13.49(1) subject to the new applicant meeting the Annual Results and Reports Waivers Conditions; (ii) codify similar exception to Main Board Rule 13.48(1) as well as GEM Rules 18.66 and 18.79 with respect to the distribution and publication of quarterly report and preliminary results (as the case may be) for the first three and nine months period of each financial year¹⁰; (iii) align the conditions for Interim Results Exemption with the Annual Results and Reports Waivers Conditions; and (iv) repeal PN 10 and consolidate the guidance with the relevant Main Board Rules.

Question 7: Do you agree with our proposal to (i) codify the modification provided by the General Waivers into Main Board Rules 13.46 and 13.49(1) subject to the new applicant meeting the Annual Results and Reports Waivers Conditions; (ii) codify similar exception to Main Board Rule 13.48(1) as well as GEM Rules 18.66 and 18.79; (iii) align the conditions for Interim Results Exemption with the Annual Results and Reports Waivers Conditions; and (iv) repeal PN 10 and consolidate the guidance with the relevant Main Board Rules?

ACQUISITION RELATED WAIVER

(8) Acquisition of aircrafts by airline operators

Relevant Rules

- 56. Main Board Rule 14.58(4) requires a notifiable transaction announcement to include the aggregate value of the consideration, how it is being or is to be satisfied and details of the terms of any arrangement for payment on a deferred basis. This disclosure must also be included in the notifiable transaction circular.

¹⁰ No equivalent Main Board Rules.

Issues

57. In practice, we have granted waivers from the disclosure of actual consideration for purchases of aircrafts from the manufacturers by listed airline operators. Given the oligopolistic nature of the aircraft manufacturing industry, there are normally strict confidentiality provisions in the issuers' contracts with aircraft manufacturers which prohibit disclosure of aircraft purchase price.

Proposal

58. We propose to add a new note to Main Board Rule 14.58(4) to state that, where a transaction involves an acquisition of an aircraft from an aircraft manufacturer by a listed issuer principally engaged in airline operations and the acquisition is in the issuer's ordinary and usual course of business, we may waive the requirement of disclosing the aggregate value of the consideration if there are contractual confidentiality restrictions from disclosing the actual consideration for the aircraft. In this case, the issuer must disclose:
- (i) the reasons for its waiver application and provide alternative disclosure (including the list price of the aircraft, a description of any price concession received and whether the price concession received is comparable to that obtained in previous purchases and whether the concession has any material impact on the issuer's future operating costs as a whole) in the announcement and, where applicable, the transaction circular; and
 - (ii) the following information in its next interim report (where applicable) and annual report:
 - (a) the aggregate number of aircraft owned as at the end of the reporting period with a breakdown by aircraft model, and the aggregate net book value of the aircraft; and
 - (b) the aggregate number of aircraft committed to purchase as at the end of the reporting period with a breakdown by aircraft model, and the commitment amounts for future commitments.

Question 8: Do you agree with the proposal to codify the waiver from disclosure of actual consideration of aircrafts to be acquired by listed airline operators, as described in paragraph 58 above?

INCENTIVE SCHEME RELATED WAIVERS

- (9) Share option scheme limit for a listed issuer's subsidiary to be spun-off for separate listing

Relevant Rules

59. Chapter 17 of the Main Board Rules applies to share option schemes of a listed issuer or any of its subsidiaries and requires that a scheme must be approved

by the issuer's shareholders in a general meeting. Note 1 to Main Board Rule 17.03(3) provides that the shares which may be issued upon exercise of all options under the scheme must not exceed 10% of shares in issue as at the date of approval of the scheme ("**Scheme Limit**").

Issues

60. In the case of a spin-off of a listed issuer's subsidiary ("**SpinCo**") for separate listing, we have granted waivers such that the listed issuer may seek shareholders' approval for the Scheme Limit based on SpinCo's shares in issue at the time of SpinCo's date of listing, rather than as at the date of approval of the scheme¹¹. This is because, at the time of approval of the scheme, any group reorganisation to effect the spin-off may not have been completed and SpinCo's shares in issue then would be different from that on the date of SpinCo's listing. This aligns with our practice for new listing applicants whose scheme limits are based on the applicants' shares in issue as at the date of its listing.

Proposal

61. We propose to amend Note 1 to Main Board Rule 17.03(3) to allow listed issuers to determine SpinCo's Scheme Limit with reference to SpinCo's shares in issue as at the date of SpinCo's listing.

Question 9: Do you agree with the proposal to allow listed issuers to determine SpinCo's Scheme Limit with reference to SpinCo's shares in issue as at the date of SpinCo's listing?

(10) Determination of exercise price of options under a share option scheme adopted by issuers dually listed on the Exchange and a PRC exchange

Relevant Rules

62. Main Board Rule 17.03(9) requires the exercise price of options granted under a listed issuer's share option scheme to be at least the higher of (i) the closing price of the securities as stated in the Exchange's daily quotations sheet on the date of grant, which must be a business day; and (ii) the average closing price of the securities as stated in the Exchange's daily quotations sheets for the five business days immediately preceding the date of grant ("**exercise price requirement**").

Issues

63. Issuers dually listed on the Exchange and a PRC exchange ("**A+H issuers**") with an A-share option scheme must comply with PRC laws and regulations and determine the exercise price of the share options based on the market price of the A shares before the announcement of grant of options, in addition to

¹¹ Listing Decision HKEX-LD18-2011.

compliance with Chapter 17 of the Main Board Rules. As the A share reference price differs from the price benchmarks in Main Board Rule 17.03(9), compliance with PRC laws and regulations might bring about a non-compliance with the exercise price requirement of Main Board Rule 17.03(9).

64. We have granted waivers from the exercise price requirement to A-share option schemes adopted by A+H issuers, as the mechanism of using the A share market price to set the exercise price of A share options is in accordance with PRC laws and regulations and would better reflect the market value of the A Shares. This is in line with the underlying rationale of the exercise price requirement¹².

Proposal

65. We propose to add a new Main Board Rule 19A.39C to state that the Exchange may waive the exercise price requirement for issuers dually listed on the Exchange and a PRC exchange such that they may determine the exercise price by reference to the market price of their shares listed on the PRC exchange, if it is satisfied that (i) the scheme involves only shares listed on the PRC exchange; and (ii) the scheme contains provisions to ensure that the exercise price of the share options is no less than the prevailing market price of the relevant shares on the PRC exchange at the time of grant of the options.

Question 10: Do you agree with the proposal to codify the waiver of the exercise price requirement for issuers dually listed on the Exchange and a PRC exchange as described in paragraph 65 above?

OTHER WAIVERS

(11) Experience and qualification of company secretary

Relevant Rules

66. Main Board Rule 3.28 requires a company secretary of an issuer to possess certain academic or professional qualifications, or relevant experience to be considered capable of discharging the functions of company secretary¹³. Main Board Rule 3.28 also requires the individual to be familiar with securities

¹² Listing Decision HKEX-LD9-2011.

¹³ Notes to Main Board Rule 3.28 set out (i) the academic or professional qualifications to be considered acceptable by the Exchange, including (a) a member of The Institute of Chartered Secretaries; (b) a solicitor or barrister under the Legal Practitioners Ordinance; and (c) a certified public accountant under the Professional Accountants Ordinance; and (ii) the Exchange's assessment criteria for "relevant experience" of an individual, including: (a) length of employment with the issuer and other issuers and the roles they played; (b) familiarity with the Rules and other relevant laws and regulations; (c) relevant training taken and/ or to be taken in addition to the minimum requirement under Main Board Rule 3.29 (i.e. 15 hours per financial year); and (d) professional qualifications in other jurisdictions.

regulation in Hong Kong¹⁴. Main Board Rule 8.17 states that an issuer must appoint a company secretary who satisfies Main Board Rule 3.28.

67. The Corporate Governance Code states that the company secretary plays an important role in supporting the board by ensuring good information flow within the board and that board policy and procedures are followed. The company secretary is responsible for advising the board on governance matters and should be an employee of the issuer and have day-to-day knowledge of the issuer's affairs.

Issues

68. Issuers usually appoint a senior management member, or other employees that had served related roles in the new applicant for a period of time and are familiar with the affairs of the new applicant as its company secretary, given the individual's familiarity with the issuer's business and affairs. However, these individuals may not possess the academic or professional qualifications under note 1 to Main Board Rule 3.28 or the relevant experience under note 2 to Main Board Rule 3.28. In addition, issuers with principal business activities outside Hong Kong may find it suitable to appoint a candidate who fits their specific needs (e.g. someone who has special knowledge or skills in the local laws and regulations or industry-specific experience or expertise) but who lacks familiarisation with securities regulation in Hong Kong to fulfil the Main Board Rule 3.28 requirement.
69. Recognising the above issues, the Exchange has in the past granted waivers to issuers from the requirements under Main Board Rule 3.28 in relation to a company secretary who does not have the qualification or experience required under Main Board Rule 3.28 (the **"Proposed Company Secretary"**) for a specified period. The waiver, if granted, is on the condition that the Proposed Company Secretary must be assisted by a person who possesses the qualifications or experience as required under Main Board Rule 3.28 (**"Qualified Person"**) throughout the waiver period (the **"Period"**). This arrangement enables the Proposed Company Secretary to perform the regulatory functions of a company secretary and acquire the relevant experience required under the Main Board Rules (in particular, the familiarity with the relevant regulatory requirements) over time.
70. The length of the Period will depend on (i) the Proposed Company Secretary's experience in handling company secretarial matters and his/ her relevant professional qualifications and/ or academic background; (ii) the measures and systems in place to facilitate the Proposed Company Secretary in discharging his/ her duties as a company secretary; and (iii) the issuer's regulatory compliance and/ or material deficiencies/ weaknesses in internal controls. The Exchange considers that the Period should not be longer than three years as

¹⁴ The Main Board Rule requires the individual to be a member of a professional body in Hong Kong and accordingly the individual would be familiar with securities regulation in Hong Kong; alternatively Main Board Rule 3.28(ii) requires the company secretary to have "relevance experience" and be familiar with our Listing Rules and certain Hong Kong laws and regulations.

the Proposed Company Secretary is generally expected to be able to acquire the relevant qualification or experience required under Main Board Rule 3.28 within three years.

Proposal

71. We propose to codify into the Rules that the Exchange may grant a Main Board Rule 3.28 waiver to an issuer taking into account the following:
- (i) whether the issuer has principal business activities primarily outside Hong Kong;
 - (ii) the reasons why the directors consider the individual to be suitable to act as the issuer's company secretary; and
 - (iii) whether the Proposed Company Secretary will be assisted by a Qualified Person throughout a period of not more than three years, the length of which may depend on factors as discussed in paragraph 70 above.

Question 11: Do you agree with our proposal to codify the waiver described in paragraph 71 in respect of the experience and qualification of company secretary into the Rules?

(12) Working capital statement in listing documents and transaction circulars of Main Board issuers that are banking companies or insurance companies

Relevant Rules

72. The Rules¹⁵ require listing applicants' and listed issuers' listing documents and transaction circulars to contain a statement by the directors confirming that the applicant or issuer group would have sufficient working capital for at least 12 months ("**working capital statement**"). The working capital statement provides information for shareholders to assess the liquidity and financial position of an applicant or a listed issuer.
73. Main Board Rule 8.21A(2) provides a specific exemption from the working capital statement requirement for a new listing applicant whose business is entirely or substantially that of the provision of financial services, provided that:
- (i) the inclusion of such a statement would not provide significant information for investors; and
 - (ii) the new listing applicant's solvency and capital adequacy are subject to prudential supervision by a regulatory body.

¹⁵ In respect of listing document, see Main Board Rules 8.21A and 11.06; in respect of circular for notifiable transaction, see Main Board Rules 14.66(10), 14.67A(2)(b)(ii) and (3), 14.68(1) and 14.69(2).

Issues

74. The above exemption is based on the recognition that a working capital statement will be of little value in relation to a company which is subject to solvency and capital adequacy requirements designed to ensure an appropriate level of liquidity (such as a bank or an insurance company). At present, the exemption in Main Board Rule 8.21A(2) is only available to listing applicants and not a listed issuer. We consider that the underlying principles for the exemption in Main Board Rule 8.21A(2) are equally applicable to listed issuers. In the past we have granted waivers to Main Board listed issuers engaged in the provision of financial services (such as banks and insurance companies, but not licensed corporations regulated by the SFC) from including a working capital statement in their listing documents and transaction circulars provided that they are able to satisfy the relevant conditions under Main Board Rule 8.21A(2) and provide alternative disclosures on (i) the relevant solvency and capital adequacy requirements for financial services companies of their types; and (ii) the issuers' solvency margin ratios for the latest three financial years¹⁶.

Proposal

75. We propose to amend the Main Board Rules to provide an exemption for listed issuers that are banking companies or insurance companies from including a working capital statement in their listing documents and transaction circulars, subject to appropriate alternative disclosures.
76. Accordingly, we also propose to amend the exemption under Main Board Rule 8.21A(2) to apply to listing applicants that are banking companies or insurance companies.

Question 12: Do you agree with the proposals (a) to provide an exemption for Main Board listed issuers that are banking companies or insurance companies from including a working capital statement, subject to appropriate alternative disclosures in their listing documents and transaction circulars if they are able to meet the same conditions as those set out in Main Board Rule 8.21A(2), and (b) to limit Main Board Rule 8.21A(2) so that the exemption applies only to banking companies or insurance companies, subject to alternative disclosures in their listing documents and the conditions as described in paragraph 73?

¹⁶ Listing Decision HKEX-LD81-2014.

CHAPTER 4: PROPOSED MINOR RULE AMENDMENTS

77. We propose to make the following minor amendments to the Rules in order to provide greater clarity to the Rules and to codify a number of administrative guidance that is currently provided in guidance letters or listing decisions into the Rules. The proposed Rule amendments are set out in Appendix II to this paper.

(13) All documentary requirements for refiling a listing application (i) more than six months after the date of the original listing application; or (ii) where a sponsor has changed

Relevant Guidance

78. Guidance Letter HKEX-GL7-09 provides guidance on the documents that are required to be submitted to the Exchange when (i) a listing application is resubmitted after the lapse of the previous application; or (ii) where there has been a change in sponsor. In particular, the guidance letter clarifies whether the following documents were required to be resubmitted/ submitted: (a) a new listing application form and the initial listing fee; (b) documents required under Main Board Rules 9.11(1) to (17c) and relevant guidance posted on the Exchange's website; and (c) any other documents (e.g. a separate submission to address the matters outstanding upon the expiry of the original application). These administrative procedures have been adopted for many years.

Proposal

79. We propose to codify the guidance in Guidance Letter HKEX-GL7-09 in Main Board Rules 9.10A(1) and 9.10B for new applicants' easy reference.

<p><i>Question 13: Do you agree with our proposal to codify the guidance in Guidance Letter HKEX-GL7-09 into the Rules for new applicants' easy reference?</i></p>

(14) Initial listing fee for introduction

Relevant Guidance

80. Listing Decision HKEX-LD15-3 involves a decision concerning the calculation of initial listing fee for a new listing applicant which is to be listed by way of introduction, in which it was decided that the fee should be calculated based on (a) the actual market capitalisation of the new applicant where its shares are already listed; or (b) the price/ earnings ratio used to estimate the monetary value of the applicant's newly listed shares. The basis set out in the listing decision has been used to calculate initial listing fee where the new applicant is to be listed on the Exchange by way of introduction for many years.

Proposal

81. We propose to codify the guidance in Listing Decision HKEX-LD15-3 into paragraph 1(4) of Appendix 8 to the Main Board Rules for new applicants' easy reference.

Question 14: Do you agree with our proposal to codify the guidance in Listing Decision HKEX-LD15-3 into the Rules for new applicants' easy reference?

(15) Restriction on grant of share options

Relevant Rules

82. Main Board Rule 17.05 prohibits grant of share options whilst an issuer is in possession of inside information and during the issuer's "black-out" periods shortly before releases of periodic financial results. The purpose of this rule is to prevent abuses where grantees of share options can gain an unfair advantage through the grant as the prevailing share price has not reflected that inside information.
83. We note that the current Main Board Rule 17.05 formulation may not achieve the originally intended regulatory objective. The rule says "... *An issuer may not grant any option after inside information has come to its knowledge until it has announced the information...*". There were cases where the grant of options took place immediately *after* the announcement of the inside information but *before* shares traded and share price reflected the effect of the inside information. The exercise price of the options did not reflect the market price. This would still create an actual or perceived transfer of benefits to the option grantees.

Proposal

84. To address the above unintended consequence we propose to amend Main Board Rule 17.05 to state clearly that the restricted period for grant of share options would cover the trading day after the announcement is made with respect to the inside information.

Question 15: Do you agree to amend Main Board Rule 17.05 to state clearly that the restricted period for grant of share options would cover the trading day after the announcement is made with respect to the inside information?

(16) Pre-vetting of documents and announcements in IPO cases and post-vetting announcements relating to price stabilisation actions

Relevant Guidance

85. Guidance Letter HKEX-GL16-09:

- (i) clarifies the publication materials from a new application requiring pre-vetting (i.e. publicity material, listing document, formal notice, allotment results and strike price announcement) or post-vetting (i.e. price stabilisation action announcement); and
- (ii) reminds new applicants to use legible font size and appropriate paragraph spacing in publication materials.

Proposal

86. We intend to codify the guidance in Guidance Letter HKEX-GL16-09 in Main Board Rule 2.07C(1)(a), 12.05 and 12.09 for completeness.

Question 16: Do you agree with our proposal to codify the guidance in Guidance Letter HKEX-GL16-09 into the Rules for completeness?

(17) Typhoon and rainstorm warning arrangements

Relevant Guidance

87. Guidance Letter HKEX-GL31-12 clarifies the administrative arrangements in the event that a no. 8 typhoon signal or above and/ or a black rainstorm warning is issued during the listing approval process. These administrative arrangements have been adopted in practice for years and are not new requirements.

Proposal

88. We intend to codify the guidance in Guidance Letter HKEX-GL31-12 into a new practice note to the Rules for completeness.

Question 17: Do you agree with our proposal to codify the guidance in Guidance Letter HKEX-GL31-12 into a new practice note to the Rules for completeness?

(18) Confirmations required on the accountants' report, pro forma financial information and profit forecast in Application Proofs and subsequent draft listing documents

Relevant Guidance

89. As part of the sponsor regime in October 2013, the Exchange has provided various guidance on what constitutes a “substantially complete” Application Proof. In particular, Guidance Letter HKEX-GL58-13 requires a written confirmation to the new applicant from the reporting accountants that no significant adjustment is expected to be made to the draft accountants' reports on (1) historical financial information; (2) pro forma financial information; and (3) profit forecast (if any) included in the Application Proof based on the work done as of the date of the confirmation, and sets out the content requirement for such confirmation.

Proposal

90. We intend to codify the guidance in Guidance Letter HKEX-GL58-13 in Main Board Rule 9.11 to set out complete documentary requirements at the time of the listing application, and to post a template of the confirmation on Exchange's website.

Question 18: Do you agree with our proposal to codify the guidance in Guidance Letter HKEX-GL58-13 into the Rules for new applicants' easy reference?

(19) Confirmations required on expert opinions in Application Proofs and subsequent draft listing documents

Relevant Guidance

91. As part of the sponsor regime in October 2013, the Exchange has provided various guidance on what constitutes a “substantially complete” Application Proof. In particular, Guidance Letter HKEX-GL60-13 requires a written confirmation to the new applicant from each of the experts who is named as an expert in the listing document that no material change is expected to be made to the relevant expert opinion included in the Application Proof based on the work done as of the date of the confirmation, and sets out the content requirement for such confirmation.

Proposal

92. We intend to codify Guidance Letter HKEX-GL60-13 in Main Board Rule 9.11 to set out complete documentary requirements at the time of the listing application, and to post a template of the confirmation on Exchange's website.

Question 19: Do you agree with our proposal to codify the guidance in Guidance Letter HKEX-GL60-13 into the Rules for new applicants' easy reference?

CHAPTER 5:	PROPOSED	HOUSEKEEPING	RULE
	AMENDMENTS		

93. We propose to make certain housekeeping amendments to the Rules to improve the clarity of the Rules. These Rules amendments do not involve questions of policy and also include correction of clerical errors and/ or update outdated references. The proposed Rule amendments are set out in Appendix III to this paper.
94. All housekeeping Rule amendments will become effective on a date to be announced, subject to the necessary regulatory approvals. In the meantime, we welcome comments regarding whether the manner in which the proposed Rule amendments are drafted will give rise to any ambiguities or unintended consequences.

(20) Amend Chinese version of the Rules to address inconsistencies with English version and rectify clerical errors

95. Currently, the Chinese translation of Main Board Rule 14A.60 (GEM Rule 20.58) does not include the phrase “fixed period” which is in the English version. In addition, the Chinese translation of paragraph 2 of Part 2 of Appendix 6C to the GEM Rules does not include the phrase “be deemed to” which is in the English version. We intend to rectify these translation errors in the Chinese version. We also intend to amend the Chinese version of paragraphs 3(1) and 12(2) of Appendix 2B to the Main Board Rules and paragraph (d) of Part 2 of Appendix 6B to the GEM Rules to rectify clerical errors.

(21) Repeal outdated transitional arrangements

96. The Rules currently contain a number of transitional arrangements addressing previous rule changes. As time passes some of these transitional arrangements are now obsolete. We intend to repeal these transitional arrangements (for example the note to Main Board Rule 3.29).

(22) Adequate market in the securities for which listing is sought

97. Main Board Rule 8.07 requires that there must be an adequate market in the securities for which listing is sought. This means that the Exchange must be satisfied that there will be sufficient public interest in the business of the issuer and in the securities for which listing is sought. There is no equivalent provision in the GEM Rules, as GEM was initially set up for emerging companies and the target investors were only sophisticated investors (i.e. professionals and knowledgeable retail investors).
98. The GEM Rules were amended in February 2018 to include, among others, a public offering requirement for GEM new listings¹⁷. Under this public offer requirement the Exchange seeks to be satisfied that there would be sufficient

¹⁷ GEM Rule 10.11A.

public interest in the business of a GEM issuer and in the securities for which listing is sought.

99. To align the Main Board and the GEM Rules in this respect, we intend to add a new GEM Rule 11.22A to specify that there must be sufficient public interest in the business of a GEM issuer and in the securities for which listing is sought. We also intend to make consequential changes to GEM Rule 19.54.

(23) Consequential changes to the GEM Rules following the changes to documentary requirements relating to listed issuers becoming effective

100. The GEM Rules were amended in March 2019 to remove, among others, the requirements for listed issuers to submit printed copies of (i) the declaration substantially in the form set out in Appendix 5E and (ii) the company information sheet set out in Appendix 5F.
101. Appendix 5B and Appendix 5F to the GEM Rules currently contain references to the outdated documentary requirements. We intend to amend Appendix 5B and Appendix 5F to align with the March 2019 amendments.

APPENDIX I: DRAFT RULE AMENDMENTS FOR PROPOSALS DESCRIBED IN CHAPTERS 2 AND 3

Main Board Listing Rules

Chapter 3

GENERAL

AUTHORISED REPRESENTATIVES, DIRECTORS, BOARD COMMITTEES AND COMPANY SECRETARY

...

Company Secretary

- 3.28 The issuer must appoint as its company secretary an individual who, by virtue of his academic or professional qualifications or relevant experience, is, in the opinion of the Exchange, capable of discharging the functions of company secretary.

Notes: 1 ...

3 The Exchange may grant a waiver to an issuer for the appointment of a company secretary that does not satisfy rule 3.28. In making the determination, the Exchange will consider:

- (i) whether the issuer has principal business activities primarily outside Hong Kong;
- (ii) the reasons why the directors consider the individual to be suitable to act as the issuer's company secretary; and
- (iii) whether the company secretary is to be assisted by a person who possesses the qualifications or experience as required under rule 3.28 (the "Qualified Person") during the waiver period.

The waiver, if granted, will be granted for a period of not more than three years (the "Period") and subject to the condition that the issuer's proposed company secretary must be assisted by the Qualified Person throughout the Period. The length of the Period may depend on (i) the proposed company secretary's relevant experience and professional qualifications and/ or academic background; (ii) the issuer's measures and systems in place to facilitate the proposed company secretary in discharging his/ her duties as a

company secretary; and (iii) the issuer's regulatory compliance record and adequacy and sufficiency of its internal control measures.

...

Chapter 4

GENERAL

ACCOUNTANTS' REPORTS AND PRO FORMA FINANCIAL INFORMATION

...

Basic Contents of Accountants' Report for a Listing Document

- 4.04 In the case of a new applicant (rule 4.01(1)) and an offer of securities to the public for subscription or purchase falling within rule 4.01(2) the accountants' report must include:-

History of results

...

- (2) the results of any business or subsidiary acquired, agreed to be acquired or proposed to be acquired since the date to which the latest audited financial statements of the issuer have been made up (on the same basis, where the subsidiary is itself a holding company, as in rule 4.04(1)) in respect of each of the three financial years immediately preceding the issue of the listing document or in respect of each of the financial years since commencement of such business or the incorporation or other establishment of such subsidiary (as the case may be) if this occurred less than three years prior to such issue or such shorter period as may be acceptable to the Exchange (see rules 8.05 A, 8.05B and 23.06);

...

- (4)(a) the statement of financial position of any business or subsidiary acquired, agreed to be acquired or proposed to be acquired since the date to which the latest audited financial statements of the issuer have been made up (on the same basis, where the subsidiary is itself a holding company, as in rule 4.04(3)) in each case as at the end of each of the three financial years to which the latest audited financial statements of such business or subsidiary (as the case may be) have been made up;
- (b) in the base of banking companies, the statement of financial position as at the end of each of the three financial years prepared in accordance with rule 4.04(4)(a) must include information on the assets and liabilities set out in the Guideline on the Application of the Banking (Disclosure)

Rules issued by the Hong Kong Monetary Authority;

Note: A new applicant is not required to disclose the financial information required under rules 4.04(2) and 4.04(4) if the following conditions, where applicable, are met:-

- (a) all the percentage ratios (as defined under rule 14.04(9)) are less than 5% by reference to the most recent audited financial year of the new applicant's trading record period;
- (b) if the acquisition will be financed by the proceeds raised from the initial public offering, the new applicant has obtained a certificate of exemption from the Commission in respect of the relevant requirements under paragraphs 32 and 33 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance; and
- (c) with respect to:
 - (1) new applicants whose principal activities involve acquisition of equity securities, the new applicant is not able to exercise any control and does not have any significant influence over the underlying company or business and has disclosed in its listing document reasons for the acquisition and a confirmation that the counterparties and their respective ultimate beneficial owners are independent of the new applicant and its connected persons;
 - (2) acquisition of a business (including acquisition of an associated company and any equity interest in a company other than in the circumstances covered under sub-paragraph (1) above) or a subsidiary, the historical financial information of such business or subsidiary is unavailable, and it would be unduly burdensome for the new applicant to obtain or prepare such financial information; and the new applicant has disclosed in its listing document information required for the announcement for a discloseable transaction under rules 14.58 and 14.60 on each acquisition.

...

- 4.10 The information to be disclosed in respect of rules 4.04 to 4.09 must be in accordance with best practice which is at least that required to be disclosed in respect of those specific matters in the accounts of a company under the HKFRS, IFRS or CASBE in the case of a PRC issuer that has adopted CASBE for the preparation of its annual financial statements and, in the case of banking companies, the Guideline on the Application of the Banking (Disclosure) Rules issued by the Hong Kong Monetary Authority ("Guideline").

Note: If a new applicant is a banking company organised outside Hong Kong and primarily regulated by a regulator which has functions similar to the Hong Kong Monetary Authority and provides adequate supervision to the applicant, it will not be required to comply with the disclosure requirement in relation to the Guideline if it can demonstrate to the Exchange's satisfaction that the alternative disclosure in its listing document, including disclosure on capital adequacy, loan quality, loan provisioning, and guarantees, contingencies and other commitments, is sufficient for potential investors to make a fully informed investment decision.

...

Chapter 8

EQUITY SECURITIES

QUALIFICATIONS FOR LISTING

...

- 8.21 (1) Subject to (2) and (3) below the Exchange will not normally consider an application for listing from a new applicant which:-
- (a) has changed the period of its financial year during the latest complete financial year (being twelve months) immediately preceding the proposed date of issue of the listing document; or
 - (b) intends to change the period of its financial year during the period of the profit forecast, if any, or the current financial year, whichever is the longer period.

...

- (3) Notwithstanding (1) above, a new applicant will be permitted to change the period of its financial year if:-
- (a) it is an investment holding company and the change is to allow the new applicant's financial year be coterminous with that of all or a majority of its major operating subsidiaries;
 - (b) the new applicant would be able to satisfy the relevant requirements under rule 8.05 before and after the proposed change; and
 - (c) the proposed change will not materially affect the presentation of financial information, or result in any omission of material information in the listing document or information that would otherwise be relevant to assessment of the new applicant's suitability.

...

- 8.21A (2) The Exchange will not require a working capital statement under rule 8.21A(1) and paragraph 36 of Part A of Appendix 1 to be made by a new applicant which is a banking company or an insurance company, whose business is entirely or substantially that of the provision of financial services, provided the Exchange is satisfied that:
- (a) the inclusion of such a statement would not provide significant information for investors; and
 - (b) the new applicant's solvency and capital adequacy are subject to prudential supervision by another regulatory body; and
 - (c) the new applicant will provide alternative disclosures on (i) the relevant solvency, capital adequacy and liquidity requirements for financial services companies of its type; and (ii) the new applicant's solvency ratios, capital adequacy ratios and liquidity ratios (as applicable) for the latest three financial years.

Note: Refer to Chapter 3A for other sponsor obligations.

...

Chapter 11

EQUITY SECURITIES

LISTING DOCUMENTS

...

Contents

- 11.06 Subject to rule 11.09 and rule 11.09A, listing documents must contain all of the specific items of information which are set out in either Part A, B, E or F of Appendix 1 (as the case may be). In those cases where listing is sought for securities of an issuer no part of whose share capital is already listed the items of information specified in Part A or E (as the case may be) must be included; in those cases where listing is sought for securities of an issuer some part of whose share capital is already listed the items of information specified in Part B or F (as the case may be) must be included.
- 11.09A A working capital statement in paragraph 30 of Part B of Appendix 1 or paragraph 26 of Part F of Appendix 1 is not required in the listing document of a listed issuer which is a banking company or an insurance company, provided the Exchange is satisfied that
- (1) the inclusion of such a statement would not provide significant information for investors;

- (2) the issuer's solvency and capital adequacy are subject to prudential supervision by another regulatory body; and
- (3) the issuer will provide alternative disclosures on (i) the relevant solvency, capital adequacy and liquidity requirements for financial services companies of its type; and (ii) the issuer's solvency ratios, capital adequacy ratios and liquidity ratios (as applicable) for the latest three financial years.

...

Chapter 13

EQUITY SECURITIES

CONTINUING OBLIGATIONS

...

DISCLOSURE OF FINANCIAL INFORMATION

Distribution of annual report and accounts

- 13.46 (1) In the case of an issuer (other than an overseas issuer and a PRC issuer):-
- (a) Such issuer shall send to
 - (i) every member of the issuer; and
 - (ii) every other holder of its listed securities (not being bearer securities),

a copy of either (A) its annual report including its annual accounts and, where the issuer prepares consolidated financial statements referred to in section 379(2) of the Companies Ordinance, the consolidated financial statements, together with a copy of the auditors' report thereon, or (B) its summary financial report not less than 21 days before the date of the issuer's annual general meeting and in any event not more than four months after the end of the financial year to which they relate. The issuer may send a copy of its summary financial report to a member and a holder of its listed securities in place of a copy of its annual report and accounts, provided that it complies with the relevant provisions set out in sections 437 to 446 of the Companies Ordinance and in the Companies (Summary Financial Reports) Regulation.

...

(2) In the case of an overseas issuer or a PRC issuer:-

(a) Such issuer shall send to:-

- (i) every member of the issuer; and
- (ii) every other holder of its listed securities (not being bearer securities),

a copy of either (A) its annual report including its annual accounts and, where the issuer prepares group accounts, its group accounts, together with a copy of the auditors' report thereon or (B) its summary financial report, not less than 21 days before the date of the issuer's annual general meeting and in any event not more than four months after the end of the financial year to which they relate...

...

Notes: ...

4. A newly listed issuer does not need to comply with the requirements of rule 13.46(1)(a) or 13.46(2)(a) for the first reporting period immediately after its listing if it has disclosed in its listing document:-

(a) the financial information required under Appendix 16 in relation to annual reports, in respect of the reporting period to which its first annual report relates;

(b) a statement as to whether it complies with the Corporate Governance Code in Appendix 14 and, if not, the reason for deviation; and

(c) that it will not breach its constitutional documents, laws and regulations of its place of incorporation or other regulatory requirements as a result of not distributing such annual reports and accounts.

...

Interim Reports

- 13.48 (1) In respect of the first six months of each financial year of an issuer unless that financial year is of six months or less, the issuer shall send to the persons listed in rule 13.46(1), either (i) an interim report, or (ii) a summary interim report not later than three months after the end of that period of six months. The issuer may send a copy of its summary interim report to a member and a holder of its listed securities in place of a copy of its interim report, provided that such summary interim report complies with the relevant provisions of the Companies (Summary Financial Reports) Regulation governing summary financial reports.

Note: A newly listed issuer does not need to comply with the requirement of rule 13.48(1) for the first interim period immediately after its listing if it has disclosed in its listing document:-

- (a) the financial information required under Appendix 16 in relation to interim reports, in respect of the six-month period to which its first interim report relate (with comparative figures for the corresponding six-month period of the immediately preceding financial year);
- (b) a statement as to whether it complies with the Corporate Governance Code in Appendix 14 and, if not, the reason for deviation; and
- (c) that it will not breach its constitutional documents, laws and regulations of its place of incorporation or other regulatory requirements as a result of not distributing such interim reports.

Preliminary Announcements of Results – Full Financial Year

- 13.49 (1) An issuer shall publish in accordance with rule 2.07C its preliminary results in respect of each financial year as soon as possible, but in any event not later than the time that is 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the next business day after approval by or on behalf of the board. The issuer must publish such results not later than three months after the end of the financial year.

Note: A newly listed issuer does not need to comply with the requirement of rule 13.49(1) for the first reporting period immediately after its listing if it has disclosed in its listing document:-

- (a) the financial information required under Appendix 16 in relation to annual results announcements, in respect of the reporting period to which its first annual results relate; and
- (b) that it will not breach its constitutional documents, laws and regulations of its place of incorporation or other regulatory requirements as a result of not publishing such annual results announcements.

...

Preliminary Announcements of Results – First Half of The Financial Year

- (6) The issuer shall publish in accordance with rule 2.07C a preliminary announcement in respect of its results for the first six months of each financial year, unless that financial year is of six months or less, as soon as possible, but in any event not later than the time that is 30 minutes before

the earlier of the commencement of the morning trading session or any pre-opening session on the next business day after approval by or on behalf of the board. The issuer must publish such results not later than two months after the end of that period of six months.

...

Note: A newly listed issuer does not need to comply with the requirement of rule 13.49(6) for the first interim period immediately after its listing if it has disclosed in its listing document:-

(a) the financial information required under Appendix 16 in relation to interim results announcements, in respect of the six-month period to which its first interim results relate (with comparative figures for the corresponding six-month period of the immediately preceding financial year); and

(b) that it will not breach its constitutional documents, laws and regulations of its place of incorporation or other regulatory requirements as a result of not publishing such interim results announcements.

...

NOTIFICATION

Inclusion of stock code in documents

13.51A An issuer shall set out its stock code in a prominent position on the cover page or, where there is no cover page, the first page of all announcements, circulars and other documents published by it pursuant to these Exchange Listing Rules.

Note: For an issuer's annual report and interim report, the Exchange would consider rule 13.51A to be satisfied if the issuer's stock code is displayed prominently in the corporate or shareholder information section of the report.

...

Chapter 14

EQUITY SECURITIES

NOTIFIABLE TRANSACTIONS

...

Contents of announcements

All transactions

14.58 The announcement for a share transaction, discloseable transaction, major transaction, very substantial disposal, very substantial acquisition or reverse takeover must contain at least the following information:—

(1) ...

...

- (4) the aggregate value of the consideration, how it is being or is to be satisfied and details of the terms of any arrangements for payment on a deferred basis. If the consideration includes securities for which listing will be sought, the listed issuer must also include the amounts and details of the securities being issued;

Note: Where the transaction involves an acquisition of aircraft from an aircraft manufacturer by a listed issuer principally engaged in airline operations and the acquisition is in the issuer's ordinary and usual course of business, the Exchange may waive the requirement of disclosing the aggregate value of the consideration if there are contractual confidentiality restrictions from disclosing the actual consideration for the aircraft. In this case, the issuer must disclose:

(a) the reasons for its waiver application and provide alternative disclosure (including the list price of the aircraft, a description of any price concession received, whether the price concession received is comparable to that obtained in previous purchases and whether the concession has any material impact on the issuer's future operating costs as a whole) in the announcement and, where applicable, the circular for the transaction; and

(b) the following information in its next interim report (where applicable) and annual report:

(i) the aggregate number of aircraft owned as at the end of the reporting period with a breakdown by aircraft model, and the aggregate net book value of the

aircraft; and

(ii) the aggregate number of aircraft committed to purchase as at the end of the reporting period with a breakdown by aircraft model, and the commitment amounts for future commitments.

...

Content of circulars

...

Major transaction circulars

14.66 A circular relating to a major transaction must contain:-

...

(10) the information regarding the listed issuer specified in the following paragraphs of Appendix 1, Part B:—

...

30- sufficiency of working capital, which must take into account the effect of the transaction

...

A working capital statement in paragraph 30 of Part B of Appendix 1 is not required if the issuer is a banking company or an insurance company and the Exchange is satisfied that:—

(a) the inclusion of such a statement would not provide significant information for investors;

(b) the issuer's solvency and capital adequacy are subject to prudential supervision by another regulatory body; and

(c) the issuer will provide alternative disclosures on (i) the relevant solvency, capital adequacy and liquidity requirements for financial services companies of its type; and (ii) the issuer's solvency ratios, capital adequacy ratios and liquidity ratios (as applicable) for the latest three financial years.

...

Chapter 17

EQUITY SECURITIES

SHARE OPTION SCHEMES

...

Terms of the scheme

17.03 (1) ...

...

- (3) the total number of securities which may be issued upon exercise of all options to be granted under the scheme, together with the percentage of the issued shares that it represents at the date of approval of the scheme;

Notes: (1) The total number of securities which may be issued upon exercise of all options to be granted under the scheme and any other schemes must not in aggregate exceed 10% of the relevant class of securities of the listed issuer (or the subsidiary) in issue as at the date of approval of the scheme (alternatively, in respect of a scheme of a subsidiary that will become effective only upon its separate listing, the 10% limit may be calculated by reference to the relevant class of securities of the subsidiary in issue as at the date of its listing). Options lapsed in accordance with the terms of the scheme will not be counted for the purpose of calculating the 10% limit.

...

(2) ...

...

Chapter 19A

EQUITY SECURITIES

ISSUERS INCORPORATED IN THE PEOPLE'S REPUBLIC OF CHINA

...

Chapter 13 — Continuing Obligations

Pre-emptive rights

19A.38 The requirements of rule 13.36(1) and (2) are replaced in their entirety by the following provisions:

“13.36

...

(2) No such approval as is referred to in rule 13.36(1)(a) shall be required in the case of authorising, allotting or issuing shares if, but only to the extent that,

(a) it is made under a bonus or capitalisation issue to the shareholders of the PRC issuer which excludes for that purpose any shareholder that is resident in a place outside the PRC and Hong Kong provided the directors of the PRC issuer consider such exclusion to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place and, where appropriate, to holders of other equity securities of the PRC issuer entitled to the issue, pro rata (apart from fractional entitlements) to their existing holdings; or

Notes: (1) The PRC issuer must make enquiry regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange and may only exclude such overseas shareholders on the basis that, having made such enquiry, it would be necessary or expedient to do so.

(2) If any shareholders that are resident outside the PRC and Hong Kong are excluded from an offer of securities pursuant to rule 13.36(2)(a), the PRC issuer shall include an explanation for the exclusion in the relevant circular or document containing the offer of securities. PRC issuers shall ensure that the circular or offer document is delivered to such shareholders for their information subject to compliance with the relevant local laws, regulations and requirements.

(ba) the existing shareholders of the PRC issuer have by special resolution in general meeting given approval, either unconditionally or subject to such terms and conditions as may be specified in the resolution, for the PRC issuer to authorise, allot or issue, either separately or concurrently once every twelve months, not more than twenty per cent. of each of the existing issued domestic shares and overseas listed foreign shares of the PRC issuer; or

- (c) such shares are part of the PRC issuer's plan at the time of its establishment to issue domestic shares and overseas listed foreign shares and which plan is implemented within 15 months from the date of approval by the China Securities Regulatory Commission or such other competent state council securities regulatory authority.

Notes: (1) Other than where independent shareholders' approval has been obtained, an issue of securities to a connected person pursuant to a general mandate given under rule 13.36(2) is only permitted in the circumstances set out in rule 14A.92.

(2) The PRC issuer does not have to comply with rule 13.36 if its primary listing is or is to be on another stock exchange and it is not subject to any other statutory or other requirement giving pre-emptive rights to shareholders over further issues of share capital. If the PRC issuer has no domestic shares issued, nor expects to issue domestic shares in the future, the PRC Issuer should consult the Exchange concerning appropriate modifications to the provisions of rule 13.36(2).

(3) Notwithstanding any issue of securities pursuant to a general mandate given under rule 13.36(2), the PRC issuer must at all times comply with the prescribed minimum percentage requirements concerning shares held by the public, as set out in rule 13.32."

...

Chapter 14 – Notifiable Transactions

19A.38A Rule 14.07(4) is amended by adding the following provisions:

In respect of a PRC issuer whose domestic shares are listed on a PRC stock exchange, the market capitalisation of its PRC listed domestic shares is to be determined based on the average closing price of those shares for the 5 business days immediately preceding the transaction.

Where a PRC issuer has issued unlisted domestic shares, the market capitalisation of its unlisted domestic shares is calculated by reference to the average closing price of its H shares for the 5 business days preceding the transaction.

...

Chapter 17 – Share Option Schemes

- 19A.39C The Exchange may waive the exercise price requirement under Note 1 to rule 17.03(9) for a share option scheme of a PRC issuer dually listed on the Exchange and a PRC stock exchange, provided that: (i) the scheme involves only shares listed on the PRC stock exchange; and (ii) the scheme contains provisions to ensure that the exercise price of the options is no less than the prevailing market price of the relevant shares on the PRC stock exchange at the time of grant of the options.

...

The Stock Exchange of Hong Kong Limited

Practice Note 10

to the Rules Governing the Listing of Securities
(the “Exchange Listing Rules”)

Issued pursuant to rule 1.06 of the Exchange Listing Rules

INTERIM REPORTING FOR NEW ISSUERS

[Repealed [] 2019]

- 1. Definitions**
~~Terms used in this Practice Note which are defined or interpreted in the Exchange Listing Rules shall have the same meaning as in the Exchange Listing Rules.~~
- 2. Introduction**
~~The Exchange wishes to clarify the obligations of newly listed issuers to prepare interim results announcements, interim reports or summary interim reports. The Exchange places considerable importance on interim reporting and wishes to ensure there is no confusion or uncertainty surrounding a newly listed issuer’s obligation to prepare interim results announcements, interim reports or summary interim reports.~~
- 3. Requirement for Interim Results Announcements and Reports**
~~Rule 13.48 requires issuers to prepare an interim report or summary interim report in respect of the first six months of the financial year. The interim report or summary interim report is to be published not later than three months after the end of that period of six months. Rule 13.49(6) requires issuers to prepare an interim results announcement in respect of the first six months of the financial year. The interim results announcement is to be published not later than two months after the end of that period of six months.~~

~~In order to meet this requirement, newly listed issuers will be required to:—~~

~~(a) prepare and publish interim results and reports in respect of the first six month period (irrespective of whether this period ends on a date before or after the date on which dealings in the securities of the issuer commenced) where the deadline for publishing the results falls after the date on which dealings in the securities of the issuer commenced.~~

~~(b) prepare and publish interim reports in respect of the first six month period where the deadline for publishing the reports falls after the date on which dealings in the securities of the issuer commenced.~~

~~In the event that the results for the interim period (containing financial information required for interim results announcements under paragraph 46(1) of Appendix 16) have been included in the prospectus for the purpose of applying for a listing on the Exchange, there will be no obligation to separately publish the results.~~

~~4. This Practice Note takes effect from 1st June, 1994.~~

~~Hong Kong, 1st June, 1994~~

~~Revised on 31st March, 2004~~

~~Revised on 1st September, 2008~~

~~Revised on 1st April, 2015~~

...

Appendix 1

Contents of Listing Documents

Part A

Equity Securities

**In the case where listing is sought for equity
securities of an issuer no part of
whose share capital is already listed**

...

36. A statement by the directors that in their opinion the working capital available to the group is sufficient for the group's requirements for at least 12 months from the date of publication of the listing document or, if not, how it is proposed to provide the additional working capital thought by the directors to be necessary. (Note 3)

Note 1: ...

Note 3: A new applicant which is a banking company or an insurance company should refer to rule 8.21A(2).

Chapter 5

GENERAL

DIRECTORS, COMPANY SECRETARY, BOARD COMMITTEES, AUTHORISED REPRESENTATIVES AND CORPORATE GOVERNANCE MATTERS

...

Company Secretary

- 5.14 The issuer must appoint as its company secretary an individual who, by virtue of his academic or professional qualifications or relevant experience, is, in the opinion of the Exchange, capable of discharging the functions of company secretary.

Notes: 1 ...

3 The Exchange may grant a waiver to an issuer for the appointment of a company secretary that does not satisfy rule 5.14. In making the determination, the Exchange will consider:

- (i) whether the issuer has principal business activities primarily outside Hong Kong;
- (ii) the reasons why the directors consider the individual to be suitable to act as the issuer's company secretary; and
- (iii) whether the company secretary is to be assisted by a person who possesses the qualifications or experience as required under rule 5.14 (the "Qualified Person") during the waiver period.

The waiver, if granted, will be granted for a period of not more than three years (the "Period") and subject to the condition that the issuer's proposed company secretary must be assisted by the Qualified Person throughout the Period. The length of the Period may depend on (i) the proposed company secretary's relevant experience and professional qualifications and/ or academic background; (ii) the issuer's measures and systems in place to facilitate the proposed company secretary in discharging his/ her duties as a company secretary; and (iii) the issuer's regulatory compliance record and adequacy and sufficiency of its internal control measures.

...

Chapter 7

GENERAL

ACCOUNTANTS' REPORTS AND POR FORMA FINANCIAL INFORMATION

...

Basic contents of accountants' report for a listing document

- 7.03 In the case of a new applicant (rule 7.01(1)) and an offer of securities to the public for subscription or purchase falling within rule 7.01(2), the accountants' report must include:—

History of results

...

- (2) the results of any business or subsidiary acquired, agreed to be acquired or proposed to be acquired since the date to which the latest audited financial statements of the issuer have been made up (on the same basis, where the subsidiary is itself a holding company, as in (1) above) in respect of each of the 2 financial years referred to in (1) above (or in respect of the period since commencement of such business or the incorporation or establishment of such subsidiary, as the case may be, if this occurred within such 2 year period).

...

- (4)(a) the statement of financial position of any business or subsidiary acquired, agreed to be acquired or proposed to be acquired since the date to which the latest audited financial statements of the issuer have been made up (on the same basis, where the subsidiary is itself a holding company, as in (3) above) in each case as at the end of each of the two financial years to which the latest audited financial statements of such business or subsidiary (as the case may be) have been made up;
- (b) in the case of banking companies, the statement of financial position as at the end of each of the two financial years prepared in accordance with rule 7.03(4)(a) must include information on the assets and liabilities set out in the Guideline on the Application of the Banking (Disclosure) Rules issued by the Hong Kong Monetary Authority;

Note: A new applicant is not required to disclose the financial information required under rules 7.03(2) and 7.03(4) if the following conditions, where applicable, are met:-

- (a) all the percentage ratios (as defined under rule 19.04(9)) are less than 5% by reference to the most recent audited financial year of

the new applicant's trading record period;

(b) if the acquisition will be financed by the proceeds raised from the initial public offering, the new applicant has obtained a certificate of exemption from the Commission with the relevant requirements under paragraphs 32 and 33 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance; and

(c) with respect to:

(1) new applicants whose principal activities involve acquisition of equity securities, the new applicant is not able to exercise any control and does not have any significant influence over the underlying company or business and has disclosed in its listing document the reasons for the acquisition and a confirmation that the counterparties and their respective ultimate beneficial owners are independent of the new applicant and its connected persons;

(2) acquisition of a business (including acquisition of an associated company and any equity interest in a company other than in the circumstances covered under sub-paragraph (1) above) or a subsidiary, the historical financial information of such business or subsidiary is unavailable, and it would be unduly burdensome for the new applicant to obtain or prepare such financial information; and the new applicant has disclosed in its listing document information required for the announcement for a discloseable transaction under rules 19.58 and 19.60 on each acquisition.

...

Disclosure

7.11 The information to be disclosed in respect of rules 7.03, 7.09 and 7.10 must be in accordance with best practice which is at least that required to be disclosed in respect of those specific matters in the financial statements of a company under the HKFRS, IFRS or CASBE in the case of a PRC issuer that has adopted CASBE for the preparation of its annual financial statements and, in the case of banking companies, the Guideline on the Application of the Banking (Disclosure) Rules issued by the Hong Kong Monetary Authority ("Guideline").

Note: If a new applicant is a banking company organised outside Hong Kong and primarily regulated by a regulator which has functions similar to the Hong Kong Monetary Authority and provides adequate supervision to the applicant, it will not be required to comply with the disclosure requirement in relation to the Guideline if it can demonstrate to the

Exchange's satisfaction that the alternative disclosure in its listing document, including disclosure on capital adequacy, loan quality, loan provisioning, and guarantees, contingencies and other commitments, is sufficient for potential investors to make a fully informed investment decision.

...

Chapter 11

EQUITY SECURITIES

QUALIFICATIONS FOR LISTING

...

11.20 Subject to rules 11.21 and 11.21A, a new applicant must not:—

- (1) have changed the period of its financial year during the latest complete financial year immediately preceding the issue of the listing document; or
- (2) change the period of its financial year during the period of any profit forecast, if any, or the current financial year, whichever is the longer period.

11.21 Notwithstanding rule 11.20, a subsidiary of the new applicant will normally be permitted to change the period of its financial year provided that:—

- (1) the change is to make the subsidiary's financial year coterminous with that of the new applicant;
- (2) appropriate adjustments are made in the trading record and such adjustments are fully explained in statements which must be provided to the Exchange; and
- (3) adequate disclosure is provided in the listing document and the accountants' report of the reason for the change and the effect of the change on the new applicant's group trading record and profit forecast, if any.

11.21A Notwithstanding rule 11.20, a new applicant will be permitted to change the period of its financial year if:-

- (1) it is an investment holding company and the change is to allow the new applicant's financial year be coterminous with that of all or a majority of its major operating subsidiaries;
- (2) the new applicant would be able to satisfy the relevant requirements under rule 11.12A before and after the proposed change; and

- (3) the proposed change will not materially affect the presentation of financial information, or result in any omission of material information in the listing document or information that would otherwise be relevant to assessment of the new applicant's suitability.

...

Chapter 17

EQUITY SECURITIES

CONTINUING OBLIGATIONS

...

Inclusion of stock code in documents

- 17.52A An issuer shall set out its stock code in a prominent position on the cover page or, where there is no cover page, the first page of all announcements, circulars and other documents published by it pursuant to these GEM Listing Rules.

Note: For an issuer's annual report and interim report, the Exchange would consider rule 17.52A to be satisfied if the issuer's stock code is displayed prominently in the corporate or shareholder information section of the report.

...

Chapter 18

EQUITY SECURITIES

FINANCIAL INFORMATION

...

Annual reports

Distribution

- 18.03 The listed issuer must send to:—
- (1) every member of the listed issuer; and
 - (2) every other holder of its listed securities,
- a copy of either (i) the directors' report and its annual financial statements and,

where the listed issuer prepares consolidated financial statements, the consolidated financial statements, together with a copy of the auditors' report thereon or (ii) its summary financial report, not less than 21 days before the date of the listed issuer's annual general meeting and not more than 3 months after the date upon which the financial period ended. The issuer may send a copy of its summary financial report to a member and a holder of its listed securities in place of a copy of its annual report and financial statements, provided that it complies with rule 18.81 and the relevant provisions set out in sections 437 to 446 of the Companies Ordinance and in the Companies (Summary Financial Reports) Regulation or, in the case of overseas issuers, with provisions no less onerous than the above provisions for listed issuers incorporated in Hong Kong.

...

Notes: ...

6 A newly listed issuer does not need to comply with the requirements of rule 18.03 for the first reporting period immediately after its listing if it has disclosed in the listing document:-

- (a) the financial information required under Chapter 18 in relation to annual reports, in respect of the reporting period to which its first annual report relates;
- (b) a statement as to whether it complies with the Corporate Governance Code in Appendix 15 and, if not, the reason for deviation; and
- (c) that it will not breach its constitutional documents, laws and regulations of its place of incorporation or other regulatory requirements as a result of not distributing such annual reports and accounts.

...

Preliminary announcement of results for the financial year

Preliminary

- 18.49 A listed issuer must publish (in accordance with the requirements of Chapter 16) a preliminary announcement of the results for the financial year, which has been agreed with its auditors, on the GEM website as soon as possible, but in any event not later than the time that is 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the next business day after approval by or on behalf of the board of its results. The issuer must publish such results not later than 3 months after the date upon which the financial year ended.

Notes: 1 The term financial year refers to the period covered by a listed issuer's financial statements even where the period is not a calendar year.

2 A newly listed issuer does not need to comply with the requirement of rule 18.49 for the first reporting period immediately after its listing if it has disclosed in its listing document:

(a) the financial information required under Chapter 18 in relation to annual results announcements, in respect of the reporting period to which its first annual results relate; and

(b) that it will not breach its constitutional documents, laws and regulations of its place of incorporation or other regulatory requirements as a result of not publishing such annual results announcements.

...

Half-year reports

Obligation to prepare and publish

18.53 The listed issuer shall prepare, in respect of each of the first 6 months of each financial year of the listed issuer, either (i) a half-year report, or (ii) a summary half-year report containing at least the information required by rules 18.55 and 18.82, respectively and publish the same (in accordance with the requirements of Chapter 16) not later than 45 days after the end of such period. The listed issuer may send a copy of its summary half-year report to a member and a holder of its listed securities in place of a copy of its half-year report, provided that such summary half-year report complies with the relevant provisions of the Companies (Summary Financial Reports) Regulation governing summary financial reports.

Notes: 1 *Newly listed issuers will be required to prepare and publish the relevant half-year report or summary half-year report (irrespective of whether the period in question ends on a date before or after the date on which dealings in the securities of the listed issuer commenced) where the 45-day deadline for publishing the report falls after the date on which dealings in the securities of the listed issuer commenced. ~~In the event that the results for the period in question (whether audited or not) have been included in the prospectus for the purpose of applying for a listing on the Exchange, there will be no obligation separately to publish the results.~~ A newly listed issuer does not need to comply with the requirement of rule 18.53 for the first half-year period immediately after its listing if it has disclosed in the listing document:-*

- (a) the financial information required under Chapter 18 in relation to half-year reports, in respect of the six-month period to which its first half-year report relates (with comparative figures for the corresponding six-month period of the immediately preceding financial year);
- (b) a statement as to whether it complies with the Corporate Governance Code in Appendix 15 and, if not, the reason for deviation; and
- (c) that it will not breach its constitutional documents, laws and regulations of its place of incorporation or other regulatory requirements as a result of not distributing such half-year reports.

...

Quarterly reports

Obligation to prepare and publish

- 18.66 The listed issuer shall prepare, in respect of each of the first 3 and 9 month periods of each financial year of the listed issuer, a quarterly report containing at least the information required by rule 18.68 and publish the same (in accordance with the requirements of Chapter 16) not later than 45 days after the end of such period.

Notes: 1 *Newly listed issuers will be required to prepare and publish the relevant quarterly report (irrespective of whether the period in question ends on a date before or after the date on which dealings in the securities of the listed issuer commenced) where the 45-day deadline for publishing the report falls after the date on which dealings in the securities of the listed issuer commenced. ~~In the event that the results for the period in question (whether audited or not) have been included in the prospectus for the purpose of applying for a listing on the Exchange, there will be no obligation separately to publish the results. A newly listed issuer does not need to comply with the requirement of rule 18.66 for the first 3-month or 9-month period immediately after its listing if it has disclosed in the listing document:-~~*

- (a) the financial information required under Chapter 18 in relation to quarterly reports, in respect of the 3-month or 9-month period to which its first quarterly report relates (with comparative figures for the corresponding 3-month or 9-month period of the immediately preceding financial year);

(b) a statement as to whether it complies with the Corporate Governance Code in Appendix 15 and, if not, the reason for deviation; and

(c) that it will not breach its constitutional documents, laws and regulations of its place of incorporation or other regulatory requirements as a result of not distributing such quarterly reports.

...

Preliminary announcement of results for each of the first 6 month of each financial year

- 18.78 A listed issuer must publish (in accordance with the requirements of Chapter 16) a preliminary announcement of the results for the first 6 months of each financial year, containing at least the information set out below, on the GEM website as soon as possible, but in any event not later than the time that is 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the next business day after approval by or on behalf of the board of the results. The issuer must publish such results not later than 45 days after the end of such period:

...

Note: A newly listed issuer does not need to comply with the requirement of rule 18.78 for the first half-year period immediately after its listing if it has disclosed in its listing document:-

(a) the financial information required under Chapter 18 in relation to half-year results announcements, in respect of the six-month period to which its first half-year results relate (with comparative figures for the corresponding six-month period of the immediately preceding financial year); and

(b) that it will not breach its constitutional documents, laws and regulations of its place of incorporation or other regulatory requirements as a result of not publishing such half-year results announcements.

Preliminary announcement of results for each of the first 3 and 9 month periods of each financial year

- 18.79 Issuers' preliminary announcements of results for each of the first 3 and 9 month periods of each financial year must contain at least the information set out below stated in respect of the group and such information must be published (in accordance with the requirements of Chapter 16) on the GEM website as soon as possible, but in any event not later than the time that is 30 minutes before the earlier of the commencement of the morning trading

session or any pre-opening session on the next business day after approval by or on behalf of the board of the results. The issuer must publish such results not later than 45 days after the end of such period:

...

Notes: ...

4 A newly listed issuer does not need to comply with the requirement of rule 18.79 for the first 3-month or 9-month period immediately after its listing if it has disclosed in its listing document:-

(a) the financial information required under Chapter 18 in relation to quarterly results announcements, in respect of the 3-month or 9-month period to which its first quarterly results relate (with comparative figures for the corresponding 3-month or 9-month period of the immediately preceding financial year); and

(b) that it will not breach its constitutional documents, laws and regulations of its place of incorporation or other regulatory requirements as a result of not publishing such quarterly results announcements.

...

Chapter 19

EQUITY SECURITIES

NOTIFIABLE TRANSACTIONS

...

Contents of announcements

All transactions

19.58 The announcement for a share transaction, discloseable transaction, major transaction, very substantial disposal, very substantial acquisition or reverse takeover must contain at least the following information:—

(1) ...

...

(5) the aggregate value of the consideration, how it is being or is to be satisfied and details of the terms of any arrangements for payment on a deferred basis. If the consideration includes securities for which listing will

be sought, the listed issuer must also include the amounts and details of the securities being issued;

Note: Where the transaction involves an acquisition of aircraft from an aircraft manufacturer by a listed issuer principally engaged in airline operations and the acquisition is in the issuer's ordinary and usual course of business, the Exchange may waive the requirement of disclosing the aggregate value of the consideration if there are contractual confidentiality restrictions from disclosing the actual consideration for the aircraft. In this case, the issuer must disclose:

- (a) the reasons for its waiver application and provide alternative disclosure (including the list price of the aircraft, a description of any price concession received, whether the price concession received is comparable to that obtained in previous purchases and whether the concession has any material impact on the issuer's future operating costs as a whole) in the announcement and, where applicable, the circular for the transaction; and
- (b) the following information in its next interim report (where applicable) and annual report:
 - (i) the aggregate number of aircraft owned as at the end of the reporting period with a breakdown by aircraft model, and the aggregate net book value of the aircraft; and
 - (ii) the aggregate number of aircraft committed to purchase as at the end of the reporting period with a breakdown by aircraft model, and the commitment amounts for future commitments.

...

Chapter 23

EQUITY SECURITIES

SHARE OPTION SCHEMES

...

Terms of the scheme

23.03 (1) ...

...

- (3) the total number of securities which may be issued upon exercise of all options to be granted under the scheme, together with the percentage of the issued shares that it represents at the date of approval of the scheme;

Notes: 1. The total number of securities which may be issued upon exercise of all options to be granted under the scheme and any other schemes must not in aggregate exceed 10 per cent of the relevant class of securities of the listed issuer (or the subsidiary) in issue as at the date of approval of the scheme (alternatively, in respect of a scheme of a subsidiary that will become effective only upon its separate listing, the 10% limit may be calculated by reference to the relevant class of securities of the subsidiary in issue as at the date of its listing). Options lapsed in accordance with the terms of the scheme will not be counted for the purpose of calculating the 10% limit.

...

2. ...

Chapter 25

EQUITY SECURITIES

ISSUERS INCORPORATED IN THE PEOPLE'S REPUBLIC OF CHINA

...

Chapters 17 and 18 – Continuing Obligations and Financial Information

Pre-emptive rights

- 25.23 The requirements of rules 17.39 to 17.41 are replaced in their entirety by the following provision:—

“17.39 ...

...

- 17.41 No such approval as is referred to in rule 17.39 shall be required in the case of authorising, allotting or issuing shares if, but only to the extent that,

(1) it is made under a bonus or capitalisation issue to the shareholders of the PRC issuer which excludes for that purpose any shareholder that is resident in a place outside the PRC and Hong Kong provided the directors of the PRC issuer consider such exclusion to be necessary or expedient on account either of

the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place and, where appropriate, to holders of other equity securities of the PRC issuer entitled to the issue, pro rata (apart from fractional entitlements) to their existing holdings; or

Notes: (1) The PRC issuer must make enquiry regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange and may only exclude such overseas shareholders on the basis that, having made such enquiry, it would be necessary or expedient to do so.

(2) If any shareholders that are resident outside the PRC and Hong Kong are excluded from an offer of securities pursuant to rule 17.41(1), the PRC issuer shall include an explanation for the exclusion in the relevant circular or document containing the offer of securities. PRC issuers shall ensure that the circular or offer document is delivered to such shareholders for their information subject to compliance with the relevant local laws, regulations and requirements.

- (42) the shareholders of the PRC issuer have by special resolution of its shareholders in general meeting given approval, either unconditionally or subject to such terms and conditions as may be specified in the resolution, for the PRC issuer to authorise, allot or issue, either separately or concurrently once every twelve months, not more than twenty per cent of each of the existing issued domestic shares and overseas listed foreign shares of the PRC issuer; or
- (23) such shares are part of the PRC issuer's plan at the time of its establishment to issue domestic shares and overseas listed foreign shares and which plan is implemented within fifteen months from the date of approval by China Securities Regulatory Commission or such other competent state council securities regulatory authority.

Notes: 1 Other than where independent shareholders' approval has been obtained, an issue of securities to a connected person pursuant to a general mandate given under rule 17.41(2) is only permitted in the circumstances set out in rule 20.90.

2 Notwithstanding any issue of securities pursuant to a general mandate given under rule 17.41, the PRC issuer must at all times comply with the prescribed minimum percentage requirements concerning

shares held by the public, as set out in rule 11.23.”

Chapter 19 – Notifiable Transactions

25.34C Rule 19.07(4) is amended by adding the following provisions:

In respect of a PRC issuer whose domestic shares are listed on a PRC stock exchange, the market capitalisation of its PRC listed domestic shares is to be determined based on the average closing price of those shares for the 5 business days immediately preceding the transaction.

Where a PRC issuer has issued unlisted domestic shares, the market capitalisation of its unlisted domestic shares is calculated by reference to the average closing price of its H shares for the 5 business days preceding the transaction.

Chapter 23 – Share Option Schemes

25.34D The Exchange may waive the exercise price requirement under Note 1 to rule 23.03(9) for a share option scheme of a PRC issuer dually listed on the Exchange and a PRC stock exchange, provided that: (i) the scheme involves only shares listed on the PRC stock exchange; and (ii) the scheme contains provisions to ensure that the exercise price of the options is no less than the prevailing market price of the relevant shares on the PRC stock exchange at the time of grant of the options.

APPENDIX II: DRAFT RULE AMENDMENTS FOR PROPOSALS DESCRIBED IN CHAPTER 4

Main Board Listing Rules

Chapter 2

GENERAL

INTRODUCTION

...

- 2.07C (1)(a) (i) A listed issuer or a new applicant which is obligated to publish ~~for the purposes of the Exchange Listing Rules~~ any announcement or notice under the Exchange Listing Rules must submit through HKEx-EPS₁ a ready-to-publish electronic copy of the document to the Exchange for publication on the Exchange's website.

...

- (iii) All announcements or notices which are published in the newspapers by an issuer pursuant to these Exchange Listing Rules must be clearly presented, use legible font size and paragraph spacing and state that it is available for viewing on the Exchange's website and the issuer's own website giving details as to where on these websites it is to be found (to the fullest extent known at the time of publication of the announcement or notice).

...

Chapter 9

EQUITY SECURITIES

APPLICATION PROCEDURES AND REQUIREMENTS

...

- 9.10A The documents under rules 9.11(1) to (38) must be lodged with the Exchange according to the following schedule:

- (1) documents under rules 9.11(1) to 9.11(17c) must be lodged at the time of submission of Form A1;

Notes:

1. For applications re-submitted at any time after the lapse of a previous application, the new applicant and its sponsor must provide, if applicable, a submission with supporting documents addressing all outstanding matters set out in the Exchange's letter on the lapsed application and material changes in the listing application, business or circumstances of the new applicant.
2. For applications re-submitted within three months of a lapsed application by at least one of the original and independent sponsors of the lapsed application (see rule 9.10B), the new applicant and its sponsor will need only to submit the documents under rules 9.11(1) to 17(c) if they are revised due to any material changes.

...

- 9.10B
- (1) Where there is a change in sponsors, the replacement or remaining sponsor, as the case may be, must submit to the Exchange reasons the outgoing sponsor left; a copy of the clearance letter (if any) from the outgoing sponsor; and any matters the replacement or remaining sponsor considers necessary to be brought to the Exchange's attention regarding the application and the outgoing sponsor as soon as practicable.
 - (2) Where an additional sponsor is appointed, the new applicant and the sponsors must submit to the Exchange reasons for appointing the additional sponsor; and the additional sponsor must submit to the Exchange a confirmation that it fully agrees with all submissions previously made by the new applicant and its existing sponsor when a new listing application is submitted pursuant to rule 3A.02B(2).

- 9.11 The following documents must be lodged with the Exchange by a new applicant in connection with its listing application:—

Together with the Form A1

...

- (3d) a written confirmation to the new applicant from the reporting accountants that no significant adjustment is expected to be made to the draft accountants' reports on (1) historical financial information; (2) pro forma financial information; and (3) profit forecast (if any) included in the Application Proof based on the work done as of the date of the confirmation;

(3e) a written confirmation to the new applicant from each of the experts who is named as an expert in the listing document that no material change is expected to be made to the relevant expert opinion included in the Application Proof based on the work done as of the date of the confirmation;

Note: Where the relevant information in the listing document is updated, the reporting accountants and each of the experts, where applicable, must provide a written confirmation on the updated information similar to those in sub-paragraphs (3d) and (3e).

...

Chapter 12

EQUITY SECURITIES

PUBLICATION REQUIREMENTS

...

On Issue

...

- 12.05 Model forms of formal notices for offers for subscription or sale, placings and introductions or transfers from GEM to the Main Board are set out in Appendix 11 for the guidance of issuers. Issuers are reminded that where a prospectus has been registered with the Registrar of Companies pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, every formal notice must comply with Section 38B of that Ordinance.

Note: An issuer must not publish formal notices in rules 12.02, 12.03 and 12.05 until the Exchange has reviewed them.

...

After Issue

...

- 12.09 In the case of an offer for subscription or an offer for sale by tender, an announcement of the striking price must be published in accordance with rule 2.07C as soon as possible, but in any event not later than the time that is 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the business day next after the allotment letters or other relevant documents of title are posted.

Note: An issuer must not publish announcements in rules 12.08 and 12.09 until the Exchange has reviewed them.

...

Chapter 17

EQUITY SECURITIES

SHARE OPTION SCHEMES

...

Restriction on the time of grant of options

- 17.05 An issuer may not grant any options after inside information has come to its knowledge until the trading day after it has announced the information. In particular, it may not grant any option during the period commencing one month immediately before the earlier of:

- (1) ...

...

The Stock Exchange of Hong Kong Limited

Practice Note 8A

to the Rules Governing the Listing of Securities
(the “Exchange Listing Rules”)

Issued pursuant to rule 1.06 of the Exchange Listing Rules

ARRANGEMENTS FOR NEW APPLICANTS DURING A TYPHOON AND/ OR A BLACK RAINSTORM WARNING SIGNAL

1. This Practice Note sets out the arrangements in relation to dealings with the Exchange regarding a listing document that constitutes a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance when a No. 8 typhoon signal or above and/ or a black rainstorm warning signal (collectively, “Bad Weather Signals”) is issued during the listing application process.

Issue of certificate for registration of prospectus

2. A new applicant must submit documents under rule 9.11(33) to the Exchange by 11 a.m. on the intended date of the registration of a prospectus ("P-1 Day") in order to obtain a certificate from the Exchange for prospectus registration with the Companies Registry under the Companies (Winding Up and Miscellaneous Provisions) Ordinance. It is the responsibility of the new applicant to deliver the prospectus and any ancillary documents to the Companies Registry for registration. The new applicant should receive a written confirmation from the Companies Registry of the registration on P-1 Day.

3. On the day of the publication of a prospectus ("P Day"), an electronic copy of the prospectus and application forms will be published on the Exchange's website and hardcopies will be available for distribution to the public.

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

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

5. If bad weather causes a delay in the registration of a prospectus with the Companies Registry and:-
- (1) the offer period becomes less than 3 days as required under section 44A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the new applicant must revise its listing timetable to ensure compliance with the requirement and make an announcement of the revised timetable on the business day after the Bad Weather Signal is lowered or cancelled. The announcement is not required to be reviewed by the Exchange, and the new applicant is not required to amend its prospectus or issue a supplemental prospectus for this purpose; and/ or
 - (2) the prospectus would be published later than the date of the prospectus, the new applicant should prepare a letter to the Companies Registry stating that the reason for the delay in publishing, circulating or distributing prospectus for the purpose of registration with the Companies Registry. The new applicant is not required to amend the date of the prospectus.

Publication of a prospectus

6. If a Bad Weather Signal is in force at 9:00 a.m. on P Day, the new applicant must take necessary actions to ensure the offer period is at least 3 days as required under section 44A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. If as a result the new applicant amends its listing timetable set out in the prospectus, an announcement in relation to the revised timetable must be made on the business day after the Bad Weather Signal is lowered or cancelled. The announcement is not required to be reviewed by the Exchange, and the new applicant is not required to issue a supplemental prospectus.

Opening or closing of the application lists in a public offer

7. If a Bad Weather Signal is in force at any time between 9:00 a.m. and 12:00 noon on the scheduled date of the opening of the application lists ("A Day"), the application lists will not be opened on A Day but instead be opened between 11:45 a.m. and 12:00 noon on the next business day when no Bad Weather Signal is in force between 9:00 a.m. and 12:00 noon ("A+1 Day").
8. A new applicant is not required to make an announcement on the change of opening of the application lists only if the arrangement in paragraph 7 above is included in the prospectus. Otherwise, the new applicant is required to make an announcement on the change of the opening of the application lists as a result of the Bad Weather Signal on A+1 Day, and such announcement is not required to be reviewed by the Exchange.

Vetting of an allocation announcement under rule 12.08

9. An allocation announcement is normally reviewed by the Exchange by the close of business 2 days before listing ("L-2 Day"). The allocation announcement must be published on the Exchange's website no later than 8:30 a.m. on the day before listing ("L-1 Day").

10. If a Bad Weather Signal is issued on L-2 Day, the arrangements with the Exchange are as follows:

<u>Time when a Bad Weather Signal is issued</u>	<u>Status of the Bad Weather Signal</u>	<u>Arrangements</u>
<u>Before 9 a.m.</u>	<u>Cancelled at or prior to 12:00 noon</u>	<u>The Exchange will review the allocation announcement on L-2 Day.</u>
<u>Before 9 a.m.</u>	<u>Remains in force at and after 12:00 noon</u>	<p><u>The allocation announcement must be published before 8:30 a.m. on L-1 Day on the Exchange's website and will be reviewed by the Exchange on the same day.</u></p> <p><u>If the Exchange considers that material information has been omitted from the published allocation announcement, the new applicant will be required to publish a supplemental allocation announcement. The new applicant may be required to take other actions to ensure, to the Exchange's satisfaction, that the inaccurate or misleading information in the published allocation announcement is addressed and there will not be a disorderly market on the listing date ("L Day"). Otherwise, the new applicant may be required to delay its listing timetable and make an announcement in relation to the revised timetable on L-1 Day.</u></p> <p><u>If the new applicant is unable to publish the allocation announcement before 8:30 a.m. on L-1 Day on the Exchange's website, it must revise its listing timetable and make an announcement in relation to the revised timetable on L-1 Day.</u></p>
<u>At or after 9 a.m.</u>	<u>Business as usual</u>	<u>The Exchange will review the allocation announcement on L-2 Day.</u>

Issue of a listing approval letter

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

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

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

Commencement of dealings in shares

13. Dealings of a new applicant's shares would only commence when trading on the Exchange resumes, even if it is only for half-day trading. The new applicant shall refer to the "Trading Hours & Severe Weather Arrangements" on the Exchange's website for details of the timing of resumption of trading.
14. New applicants are not required to make any announcement on the trading arrangements in the event of Bad Weather Signal as this is published on the Exchange's website.
15. New applicants should ensure their prospectuses set out the arrangements in the event of bad weather which may disrupt their listing timetable in order to have greater clarity on the arrangements and to avoid market confusion.
16. This Practice Note takes effect from [] 2019.

Hong Kong, [] 2019

Appendix 8

Listing Fees, Transaction Levies and Trading Fees on New Issues and Brokerage

...

1. Initial Listing Fee

- (1) In the case of an issue of equity securities by a new applicant, other than units in a unit trust, redeemable shares in a mutual fund, or an issue of securities by an open-ended investment company or other collective investment scheme, an initial listing fee shall be payable on the application for listing as follows:—

...

- (4) Listing by Introduction

The initial listing fee shall be calculated in accordance with paragraph (1) above and the monetary value of the equity securities to be listed should be determined based on:—

- (1) if the new applicant is already listed on another stock exchange, its average market capitalisation on the relevant stock exchange for the period from the sixth business day to the tenth business day immediately before the date of its listing application; or
- (2) the new applicant's expected market capitalisation upon listing if its securities are not listed on any other stock exchange.

Chapter 12

EQUITY SECURITIES

APPLICATION PROCEDURES AND REQUIREMENTS

...

- 12.08 If there is a termination or addition of a Sponsor during the vetting process of any listing document to be issued by a new applicant, the new applicant must submit a new listing application detailing a revised timetable and, in the case of the new applicant only, a further initial listing fee in the amount specified in Appendix 9. Any initial listing fee paid will, in such circumstances, be forfeited.

Notes:

- (1) *[Repealed 1 October 2013]*
- (2) *See also Chapter 4 for other circumstances when a new applicant may be required to submit a new listing application form.*
- (3) Where there is a change in Sponsors, the replacement or remaining Sponsor, as the case may be, must submit to the Exchange reasons the outgoing Sponsor left; a copy of the clearance letter (if any) from the outgoing Sponsor; and any matters the replacement or remaining Sponsor considers necessary to be brought to the Exchange's attention regarding the application and the outgoing Sponsor as soon as practicable.
- (4) Where an additional Sponsor is appointed, the new applicant and the Sponsors must submit to the Exchange reasons for appointing the additional Sponsor; and the additional Sponsor must submit to the Exchange a confirmation that it fully agrees with all submissions previously made by the new applicant and its existing Sponsor when a new listing application is submitted pursuant to rule 6A.02B(2).

...

- 12.14 The listing application form must be accompanied by:-

...

- (4) the initial listing fee in the amount specified in Appendix 9.

Notes:

1. *If the Exchange returns an application to a Sponsor before the Exchange issues its first comment letter to the Sponsor, the initial listing fee will be refunded; and in other cases the initial listing fee will be forfeited.*
2. *For all applications re-submitted at any time after the lapse of a previous application, the new applicant and its Sponsor must provide, if applicable, a submission with supporting documents addressing all outstanding matters set out in the Exchange's letter on the lapsed application and material changes in the listing application, business or circumstances of the new applicant.*
3. *For applications re-submitted within three months of a lapsed application by at least one of the original and independent Sponsors of the lapsed application (see notes 3 and 4 to rule 12.08), the new applicant and its Sponsor will need only to submit the documents required under rules 12.22 and 12.23 if they are revised due to any material changes.*

...

12.22 The following documents, as applicable, must be lodged with the Exchange for review together with the application for listing form in respect of a new applicant:—

- (3a) a written confirmation to the new applicant from the reporting accountants that no significant adjustment is expected to be made to the draft accountants' reports on (1) historical financial information; (2) pro forma financial information; and (3) profit forecast (if any) included in the Application Proof based on the work done as of the date of the confirmation;
- (3b) a written confirmation to the new applicant from each of the experts who is named as an expert in the listing document that no material change is expected to be made to the relevant expert opinion included in the Application Proof based on the work done as of the date of the confirmation;

Note: Where the relevant information in the listing document is updated, the reporting accountants and each of the experts, where applicable, must provide a written confirmation on the updated information similar to those in sub-paragraphs (3a) and (3b).

...

Chapter 16

EQUITY SECURITIES

PUBLICATION REQUIREMENTS

...

Formal notice on issue

...

- 16.10 Model forms of formal notices for offers for subscription or sale, placings and introductions are set out in Appendix 10 for the guidance of issuers. Issuers are reminded that where a prospectus has been registered with the Registrar of Companies pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, every formal notice must comply with Section 38B of that Ordinance.

Note: An issuer must not publish formal notices in rules 16.07, 16.08 and 16.10 until the Exchange has reviewed them.

...

Results of offers, rights issues and placings

...

- 16.14 In the case of an offer for subscription or an offer for sale by tender, an announcement of the striking price must be published on the GEM website as soon as possible, but in any event not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the business day following the date on which the allotment letters or other relevant documents of title are posted.

Note: An issuer must not publish announcements in rules 16.13 and 16.14 until the Exchange has reviewed them.

...

Publication on the GEM website

16.17 After the Listing Division has confirmed that it has no further comments on any draft announcement, notice or other document, the issuer must submit the cleared version to the Exchange, for publication on the GEM website. The cleared version must be submitted in sufficient time so as to enable it to be published on the GEM website in accordance with any time limit prescribed by the GEM Listing Rules. For any announcement, notice or other document required by the GEM Listing Rules to be published on the GEM website but which is not required to be cleared by the Exchange, the issuer must submit the final version of the document. In this regard, the following must be adhered to:

- (1)(a) A listed issuer or a new applicant which is obligated to publish ~~for the purpose of the GEM Listing Rules~~ any announcement or notice under the GEM Listing Rules must submit through HKEx-EPS₁ a ready-to-publish electronic copy of the document to the Exchange for publication on the GEM website.

...

- (c) All announcements or notices which are published in the newspapers by an issuer pursuant to the GEM Listing Rules must be clearly presented, use legible font size and paragraph spacing and state that it is available for viewing on the GEM website and the issuer's own website giving details as to where on these websites it is to be found (to the fullest extent known at the time of publication of the announcement or notice).

...

Chapter 23

EQUITY SECURITIES

SHARE OPTION SCHEMES

...

Restriction on the time of grant of options

23.05 An issuer may not grant any options after inside information has come to its knowledge until the trading day after it has announced the information. In particular, it may not grant any option during the period commencing one month immediately before the earlier of:

- (1) ...

...

The Stock Exchange of Hong Kong Limited

Practice Note 7

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

Issued pursuant to rule 1.07 of the GEM Listing Rules

ARRANGEMENTS FOR NEW APPLICANTS DURING A TYPHOON AND/ OR A BLACK RAINSTORM WARNING SIGNAL

1. This Practice Note sets out the arrangements in relation to dealings with the Exchange regarding a listing document that constitutes a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance when a No. 8 typhoon signal or above and/ or a black rainstorm warning signal (collectively, “Bad Weather Signals”) is issued during the listing application process.

Issue of certificate for registration of prospectus

2. A new applicant must submit documents under rule 12.25 to the Exchange by 11 a.m. on the intended date of the registration of a prospectus (“P-1 Day”) in order to obtain a certificate from the Exchange for prospectus registration with the Companies Registry under the Companies (Winding Up and Miscellaneous Provisions) Ordinance. It is the responsibility of the new applicant to deliver the prospectus and any ancillary documents to the Companies Registry for registration. The new applicant should receive a written confirmation from the Companies Registry of the registration on P-1 Day.
3. On the day of the publication of a prospectus (“P Day”), an electronic copy of the prospectus and application forms will be published on the GEM website and hardcopies will be available for distribution to the public.
4. If a Bad Weather Signal is issued on P-1 Day, the arrangements with the Exchange are as follows:

<u>Time when a Bad Weather Signal is issued</u>	<u>Status of the Bad Weather Signal</u>	<u>Arrangements</u>
<u>Before 9 a.m.</u>	<u>Cancelled at or prior to 12:00 noon</u>	<u>The Exchange will review relevant documents and issue the registration certificate on P-1 Day.</u>

<u>Before 9 a.m.</u>	<u>Remains in force at and after 12:00 noon</u>	<u>The Exchange will review relevant documents on the business day after the Bad Weather Signal is lowered or cancelled, and issue the registration certificate as soon as possible.</u>
<u>At or after 9 a.m.</u>	<u>Business as usual</u>	<u>The Exchange will review relevant documents and issue the registration certificate on P-1 Day.</u>

5. If bad weather causes a delay in the registration of a prospectus with the Companies Registry and:-

- (1) the offer period becomes less than 3 days as required under section 44A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the new applicant must revise its listing timetable to ensure compliance with the requirement and make an announcement of the revised timetable on the business day after the Bad Weather Signal is lowered or cancelled. The announcement is not required to be reviewed by the Exchange, and the new applicant is not required to amend its prospectus or issue a supplemental prospectus for this purpose; and/ or
- (2) the prospectus would be published later than the date of the prospectus, the new applicant should prepare a letter to the Companies Registry stating that the reason for the delay in publishing, circulating or distributing prospectus for the purpose of registration with the Companies Registry. The new applicant is not required to amend the date of the prospectus.

Publication of a prospectus

- 6. If a Bad Weather Signal is in force at 9:00 a.m. on P Day, the new applicant must take necessary actions to ensure the offer period is at least 3 days as required under section 44A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. If as a result the new applicant amends its listing timetable set out in the prospectus, an announcement in relation to the revised timetable must be made on the business day after the Bad Weather Signal is lowered or cancelled. The announcement is not required to be reviewed by the Exchange, and the new applicant is not required to issue a supplemental prospectus.**

Opening or closing of the application lists in a public offer

- 7. If a Bad Weather Signal is in force at any time between 9:00 a.m. and 12:00 noon on the scheduled date of the opening of the application lists ("A Day"), the application lists will not be opened on A Day but instead be opened between 11:45 a.m. and 12:00 noon on the next business day when no Bad Weather Signal is in force between 9:00 a.m. and 12:00 noon ("A+1 Day").**

8. A new applicant is not required to make an announcement on the change of opening of the application lists only if the arrangement in paragraph 7 above is included in the prospectus. Otherwise, the new applicant is required to make an announcement on the change of the opening of the application lists as a result of the Bad Weather Signal on A+1 Day, and such announcement is not required to be reviewed by the Exchange.

Vetting of an allocation announcement under rule 16.13

9. An allocation announcement is normally reviewed by the Exchange by the close of business 2 days before listing ("L-2 Day"). The allocation announcement must be published on the GEM website no later than 8:30 a.m. on the day before listing ("L-1 Day").
10. If a Bad Weather Signal is issued on L-2 Day, the arrangements with the Exchange are as follows:

<u>Time when a Bad Weather Signal is issued</u>	<u>Status of the Bad Weather Signal</u>	<u>Arrangements</u>
<u>Before 9 a.m.</u>	<u>Cancelled at or prior to 12:00 noon</u>	<u>The Exchange will review the allocation announcement on L-2 Day.</u>
<u>Before 9 a.m.</u>	<u>Remains in force at and after 12:00 noon</u>	<p><u>The allocation announcement must be published before 8:30 a.m. on L-1 Day on the GEM website and will be reviewed by the Exchange on the same day.</u></p> <p><u>If the Exchange considers that material information has been omitted from the published allocation announcement, the new applicant will be required to publish a supplemental allocation announcement. The new applicant may be required to take other actions to ensure, to the Exchange's satisfaction, that the inaccurate or misleading information in the published allocation announcement is addressed and there will not be a disorderly market on the listing date ("L Day"). Otherwise, the new applicant may be required to delay its listing timetable and make an announcement in relation to the revised timetable on L-1 Day.</u></p> <p><u>If the new applicant is unable to publish the allocation announcement before 8:30 a.m. on L-1 Day on the GEM website, it must revise its listing timetable and make an announcement in relation to the revised timetable on L-1 Day.</u></p>

<u>At or after 9 a.m.</u>	<u>Business as usual</u>	<u>The Exchange will review the allocation announcement on L-2 Day.</u>
---------------------------	--------------------------	---

Issue of a listing approval letter

11. The Exchange normally issues the listing approval letter by close of business on L-1 Day.
12. If a Bad Weather Signal is issued on L-1 Day, the arrangements with the Exchange are as follows:

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

Commencement of dealings in shares

- 13 Dealings of a new applicant's shares would only commence when trading on the Exchange resumes, even if it is only for half-day trading. The new applicant shall refer to the "Trading Hours & Severe Weather Arrangements" on the Exchange's website for details of the timing of resumption of trading.
14. New applicants are not required to make any announcement on the trading arrangements in the event of Bad Weather Signal as this is published on the GEM website.
15. New applicants should ensure their prospectuses set out the arrangements in the event of bad weather which may disrupt their listing timetable in order to have greater clarity on the arrangements and to avoid market confusion.
16. This Practice Note takes effect from [] 2019.

Hong Kong, [] 2019

Appendix 9

LISTING FEES, TRANSACTION LEVIES AND TRADING FEES ON NEW ISSUES AND BROKERAGE

1. Equity Securities

(1) Initial Listing Fee

- (a) In the case of an issue of equity securities by a new applicant, an initial listing fee shall be payable on the application for listing as follows:

...

(d) Listing by Introduction

The initial listing fee shall be calculated in accordance with subparagraph (a) above and the monetary value of the equity securities to be listed should be determined based on:—

- (1) if the new applicant is already listed on another stock exchange, its average market capitalisation on the relevant stock exchange for the period from the sixth business day to the tenth business day immediately before the date of its listing application; or
- (2) the new applicant's expected market capitalisation upon listing if its securities are not listed on any other stock exchange.

APPENDIX III: DRAFT RULE AMENDMENTS FOR PROPOSALS DESCRIBED IN CHAPTER 5

Main Board Listing Rules

Chapter 3

GENERAL

AUTHORISED REPRESENTATIVES, DIRECTORS, BOARD COMMITTEES AND COMPANY SECRETARY

...

Company Secretary

...

3.29 In each financial year an issuer's company secretary must take no less than 15 hours of relevant professional training.

Note: A person who was a company secretary of an issuer:

- ~~(1) on or after 1 January 2005 must comply with rule 3.29 for the financial year commencing on or after 1 January 2012;~~
- ~~(2) between 1 January 2000 to 31 December 2004 must comply with rule 3.29 for the financial year commencing on or after 1 January 2013;~~
- ~~(3) between 1 January 1995 to 31 December 1999 must comply with rule 3.29 for the financial year commencing on or after 1 January 2015; and~~
- ~~(4) on or before 31 December 1994 must comply with rule 3.29 for the financial year commencing on or after 1 January 2017.~~

Chapter 13
EQUITY SECURITIES
CONTINUING OBLIGATIONS

...

Directors' service contracts

...

- 13.69 ~~[Repealed ●] Directors' service contracts entered into by the issuer or any of its subsidiaries in accordance with the Exchange Listing Rules on or before 31 January, 2004 are exempt from the shareholders' approval requirement under rule 13.68. Upon any variation as to duration or payment on termination or any other material terms of the directors' service contracts or renewal of any such directors' service contracts, the issuer must comply in full with the requirements set out in rule 13.68 in respect of the service contracts effected after such variation or renewal. Pursuant to paragraph 14A of Appendix 16, the issuer must include particulars of any service contracts that are exempt under this rule in its annual reports during the term of any such service contracts.~~

...

Main Board Listing Rules (amendments to Chinese version only)

第十四 A 章

股本證券

關連交易

...

持續交易其後變成關連交易

- 14A.60 如上市發行人集團簽訂了一份有固定期限及固定條款的協議，而該協議涉及：

- (1) ...

...

附錄二
所有權文件
B 部
確實所有權文件
記名股本證券

...

3. 證書的正面須載明下列各項：

(1) 任命發行人的權利機構；

...

12. 證書亦須註明：

(1) ...

(2) 發行證券的機構權限；及

(3) ...

...

GEM Listing Rules

Chapter 5

GENERAL

DIRECTORS, COMPANY SECRETARY, BOARD COMMITTEES, AUTHORISED REPRESENTATIVES AND CORPORATE GOVERNANCE MATTERS

...

Company secretary

...

- 5.15 In each financial year an issuer's company secretary must take no less than 15 hours of relevant professional training.

Note: A person who was a company secretary of an issuer:

- ~~(1) — on or after 1 January 2005 must comply with rule 5.15 for the financial year commencing on or after 1 January 2012;~~
- ~~(2) — between 1 January 2000 to 31 December 2004 must comply with rule 5.15 for the financial year commencing on or after 1 January 2013;~~
- ~~(3) — between 1 January 1995 to 31 December 1999 must comply with rule 5.15 for the financial year commencing on or after 1 January 2015; and~~
- ~~(4) — on or before 31 December 1994 must comply with rule 5.15 for the financial year commencing on or after 1 January 2017.~~

...

Chapter 11

EQUITY SECURITIES

QUALIFICATIONS FOR LISTING

...

Conditions relevant to the securities for which listing is sought

- 11.22A There must be an adequate market in the securities for which listing is sought. This means that the Exchange must be satisfied that there will be sufficient public interest in the business of the issuer and in the securities for which listing is sought.

...

Chapter 17

EQUITY SECURITIES

CONTINUING OBLIGATIONS

...

Directors' service contracts

...

- 17.91 ~~[Repealed [●]]Directors' service contracts entered into by an issuer or any of its subsidiaries in accordance with the GEM Listing Rules on or before 31 January, 2004 are exempt from the shareholders' approval requirement under rule 17.90. Upon any variation as to duration or payment on termination or any other material terms of the directors' service contracts or renewal of any such directors' service contracts, the issuer must comply in full with the requirements set out in rule 17.90 in respect of the service contracts effected after such variation or renewal. Pursuant to rule 18.24A, the issuer must include particulars of any service contracts that are exempt under this rule in its annual reports during the term of any such service contracts.~~

...

Chapter 19

EQUITY SECURITIES

NOTIFIABLE TRANSACTIONS

...

19.54 The Exchange will treat a listed issuer proposing a reverse takeover as if it were a new listing applicant.

(1) ...

(2) Where the reverse takeover is proposed by a listed issuer that has failed to comply with rule 17.26, the acquisition targets must also meet the requirement of rule 11.22A, ~~the Exchange must be satisfied that there will be sufficient public interest in the business of the acquisition targets and the enlarged group and in the securities for which listing is sought~~ (in addition to the requirements for the acquisition targets and the enlarged group set out in rule 19.54(1)).

...

Appendix 5

FORMS RELATING TO LISTING

FORM B

**Application Form - Equity securities
(of an issuer part of whose share capital is already listed)**

...

16. **We hereby undertake:—**

(a) to advise the Exchange if any change of circumstance arises prior to the hearing date of the application (if applicable) or the date on which we propose to bulk print the listing document (if any) or the proposed date of issue of the securities the subject of this application, that would render any information contained in this application form or the listing document (if any) misleading in any material respect;

(b) ~~to lodge with the Exchange, before dealings in the securities the subject of this application commence, the~~

~~declaration (Appendix 5E) required by rule 12.27(8) of the GEM Listing Rules; and~~

...

Appendix 5

FORMS RELATING TO LISTING

FORM F

GEM

Company Information Sheet

...

The Directors acknowledge that the Stock Exchange has no responsibility whatsoever with regard to the Information and undertake to indemnify the Exchange against all liability incurred and all losses suffered by the Exchange in connection with or relating to the Information.

Signed:

.....

.....

.....

.....

.....

.....

Submitted by:

(Name)

Title:

(Director, secretary or other duly authorised officer)

NOTES

- ~~1 This information sheet must be signed by or pursuant to a power of attorney for and on behalf of each of the Directors of the Company.~~
- ~~2 Pursuant to rule 17.52 of the GEM Listing Rules, the Company must submit to the Exchange (in the electronic format specified by the Exchange from time to time) for publication on the GEM website a revised information sheet, together with a hard copy duly signed by or on behalf of each of the Directors, as soon~~

as reasonably practicable after any particulars on the form previously published cease to be accurate.

~~3 Please send a copy of this form by facsimile transaction to Hong Kong Securities Clearing Company Limited (on 2815-9353) or such other number as may be prescribed from time to time) at the same time as the original is submitted to the Exchange.~~

GEM Listing Rules (amendments to Chinese version only)

第二十章

股本證券

關連交易

...

持續交易其後變成關連交易

20.58 如上市發行人集團簽訂了一份有固定期限及固定條款的協議，而該協議涉及：

(2) ...

...

附錄六

董事及監事的表格

B 表格

董事的聲明、承諾及確認（適用於中國發行人）

...

第二部分

承諾及確認

...

(d) 在本人須在下列情況下（以聯交所不時規定的方式）將下述資料通知聯交所：

...

- (ii) 在出任發行人董事期間，如第(i)段所述聯絡資料有變，須在合理可行的情況下盡快（無論如何於有關變動出現後 28 日內）通知會聯交所；及

...

附錄六

董事及監事的表格

C 表格

監事的聲明、承諾及確認

（適用於在中華人民共和國（「中國」）註冊成立的發行人）

...

第二部分

承諾及確認

...

2. 本人承認及同意，在本人出任發行人監事期間或不再出任發行人監事之後，但凡聯交所就任何目的向本人發出的信函及／或送達的通知書及其他文件（包括但不限於送達紀律程序的通知）若以面交本人的方式，或以郵寄、傳真或電郵的方式送達本人向聯交所提供的地址或號碼，即被視為已有效及充分地送達本人。本人同意及確認，本人有責任向聯交所提供本人最新的聯絡資料。本人確認，若本人（作為發行人的監事或前監事）未能向聯交所提供本人最新的聯絡資料，或未有為送呈本人的通知、文件或書信提供轉送安排，本人可能會不知悉聯交所向本人展開的任何程序。

APPENDIX IV: PRIVACY POLICY STATEMENT

Hong Kong Exchanges and Clearing Limited and from time to time, its subsidiaries, affiliated companies controlling it or under common control with it and its joint ventures (each such entity, from time to time, being “**HKEX**”, “**we**”, “**us**” or an “**affiliate**” for the purposes of this Privacy Policy Statement as appropriate) recognises its responsibilities in relation to the collection, holding, processing, use and/ or transfer of personal data under the Personal Data (Privacy) Ordinance (Cap. 486) (“**PDPO**”). Personal data will be collected only for lawful and relevant purposes and all practicable steps will be taken to ensure that personal data held by HKEX is accurate. HKEX will use your personal data in accordance with this Privacy Policy Statement.

We regularly review this Privacy Policy Statement and may from time to time revise it or add specific instructions, policies and terms. Where any changes to this Privacy Policy Statement are material, we will notify you using the contact details you have provided us with and, as required by the PDPO, give you the opportunity to opt out of these changes by means notified to you at that time. Otherwise, in relation to personal data supplied to us through the HKEX website, continued use by you of the HKEX website shall be deemed to be your acceptance of and consent to this Privacy Policy Statement.

If you have any questions about this Privacy Policy Statement or how we use your personal data, please contact us through one of the communication channels below.

HKEX will take all practicable steps to ensure the security of the personal data and to avoid unauthorised or accidental access, erasure or other use. This includes physical, technical and procedural security methods, where appropriate, to ensure that the personal data may only be accessed by authorized personnel.

Please note that if you do not provide us with your personal data (or relevant personal data relating to persons appointed by you to act on your behalf) we may not be able to provide the information, products or services you have asked for or process your request.

Purpose

From time to time we may collect your personal data such as your name, mailing address, telephone number, email address and login name for the following purposes:

1. to process your applications, subscriptions and registration for our products and services;
2. to perform or discharge the functions of HKEX and any company of which HKEX is the recognised exchange controller (as defined in the Securities and Futures Ordinance (Cap. 571));
3. to provide you with our products and services and administer your account in relation to such products and services;
4. to conduct research and statistical analysis; and

5. other purposes directly relating to any of the above.

Direct marketing

Except to the extent you have already opted out or in future opt out, we may also use your name, mailing address, telephone number and email address to send promotional materials to you and conduct direct marketing activities in relation to our financial services and information services, and related financial services and information services offered by our affiliates.

If you do not wish to receive any promotional and direct marketing materials from HKEX or do not wish to receive particular types of promotional and direct marketing materials or do not wish to receive such materials through any particular means of communication, please contact us through one of the communication channels below.

Identity Card Number

We may also collect your identity card number and process this as required under applicable law or regulation, as required by any regulator having authority over us and, subject to the PDPO, for the purpose of identifying you where it is reasonable for your identity card number to be used for this purpose.

Transfers of personal data for direct marketing purposes

Except to the extent you have already opted out or in future opt out, we may transfer your name, mailing address, telephone number and email address to our affiliates for the purpose of enabling our affiliates to send promotional materials to you and conduct direct marketing activities in relation to their financial services and information services.

Other transfers of personal data

For one or more of the purposes specified above, the personal data may be:

1. transferred to our affiliates and made available to appropriate persons in our affiliates, in Hong Kong or elsewhere and in this regard you consent to the transfer of your data outside of Hong Kong; and
2. supplied to any agent, contractor or third party who provides administrative or other services to HKEX and/ or any of our affiliates in Hong Kong or elsewhere.

How we use cookies

If you access our information or services through the HKEX website, you should be aware that cookies are used. Cookies are data files stored on your browser. The HKEX website automatically installs and uses cookies on your browser when you access it. Two kinds of cookies are used on the HKEX website:

Session Cookies: temporary cookies that only remain in your browser until the time you leave the HKEX website, which are used to obtain and store configuration information and administer the HKEX website, including carrying information from one page to another as you browse the site so as to, for example, avoid you having to re-enter information on each page that you visit. Session cookies are also used to compile anonymous statistics about the use of the HKEX website.

Persistent Cookies: cookies that remain in your browser for a longer period of time for the purpose of compiling anonymous statistics about the use of the HKEX website or to track and record user preferences.

The cookies used in connection with the HKEX website do not contain personal data. You may refuse to accept cookies on your browser by modifying the settings in your browser or internet security software. However, if you do so you may not be able to utilise or activate certain functions available on the HKEX website.

Compliance with laws and regulations

You agree that HKEX and its affiliates may be required to retain, process and/ or disclose your personal data in order to comply with applicable laws and regulations, or in order to comply with a court order, subpoena or other legal process, or to comply with a request by a government authority, law enforcement agency or similar body (whether situated in Hong Kong or elsewhere). You also agree that HKEX and its affiliates may need to disclose your personal data in order to enforce any agreement with you, protect our rights, property or safety, or the rights, property or safety of our affiliates and employees.

Corporate reorganisation

As HKEX continues to develop its business, we may reorganise our group structure, undergo a change of control or business combination. In these circumstances it may be the case that your personal data is transferred to a third party who will continue to operate our business or a similar service under either this Privacy Policy Statement or a different privacy policy statement which will be notified to you. Such a third party may be located, and use of your personal data may be made, outside of Hong Kong in connection with such acquisition or reorganisation.

Access and correction of personal data

Under the PDPO, you have the right to ascertain whether HKEX holds your personal data, to obtain a copy of the data, and to correct any data that is inaccurate. You may also request HKEX to inform you of the type of personal data held by it. All data access requests shall be made using the form prescribed by the Privacy Commissioner for Personal Data ("**Privacy Commissioner**") which may be found on the official website of the Office of the Privacy Commissioner.

Requests for access and correction or for information regarding policies and practices and kinds of data held by HKEX should be addressed in writing and sent by post to us (see contact details below).

A reasonable fee may be charged to offset HKEX's administrative and actual costs incurred in complying with your data access requests.

Termination or cancellation

Should your account with us be cancelled or terminated at any time, we shall cease processing your personal data as soon as reasonably practicable following such cancellation or termination, provided that we may keep copies of your data as is reasonably required for archival purposes, for use in relation to any actual or potential dispute, for the purpose of compliance with applicable laws and regulations and for the purpose of enforcing any agreement we have with you, for protecting our rights, property or safety, or the rights, property or safety of our affiliates and employees.

Contact us

By Post:
Personal Data Privacy Officer
Hong Kong Exchanges and Clearing Limited
8/F., Two Exchange Square
8 Connaught Place
Central
Hong Kong

By Email:
DataPrivacy@HKEX.COM.HK

Hong Kong Exchanges and Clearing Limited
8/F, Two Exchange Square, 8 Connaught Place,
Central, Hong Kong

info@hkex.com.hk
電話：+852 2522 1122 傳真：+852 2295 3106
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