

## Chapter 1

### GENERAL

#### INTERPRETATION

1.01 Throughout this book, the following terms, save where the context otherwise requires, have the following meanings:

**"management shareholder"**

means any person who is (or group of persons who together are) entitled to exercise or control the exercise of 5 per cent or more of the voting power at general meetings of the issuer and who is (or are) able, as a practical matter, to direct or influence the management of the issuer;

*Notes: 1 The Exchange will not ordinarily consider any shareholder with board representation, including but not limited to a professionally managed fund, as a management shareholder if it can be demonstrated that it does not actively participate in the management of the issuer's business.*

*2 For the purposes of the GEM Listing Rules, a controlling shareholder will, in all cases, be deemed to be a management shareholder.*

## Chapter 2

### GENERAL

#### INTRODUCTION

2.13 The GEM Listing Rules require, and emphasise the on-going need for, comprehensive and timely disclosure of relevant information by all listed issuers. In this regard, particular attention is drawn to the following matters:—

- (1) A new applicant is required, in its initial listing document, to prepare a detailed statement of its active business pursuits over the period specified in rule 11.12(2) and a detailed statement of business objectives (see rule 11.15). It is subsequently required, in respect of its half-year end (in the event this follows listing) and full-year end for the financial year in which it is listed and the half-year ends and full-year ends of the two financial years thereafter, to draw up a comparison of actual business progress to the information provided in the statement of business objectives for the equivalent period and explain any material differences (including as to its use of proceeds, as indicated in the initial listing document) (see rules 18.42 and 18.61 respectively);
- (2) A listed issuer is required to publish audited annual accounts and half-year and quarterly reports, which reports need not be audited (see Chapter 18);
- (3) Rule 17.10 sets out the general obligation of disclosure which applies to all listed issuers without prejudice to the specific instances requiring disclosure as set out in other provisions of Chapter 17 or elsewhere in the GEM Listing Rules;
- (4) The directors of an issuer are collectively and individually responsible for ensuring the issuer's full compliance with the disclosure obligations and all other obligations imposed upon issuers under the GEM Listing Rules; and
- (5) For the purposes of the GEM Listing Rules, the principal means by which issuers are required to disclose information is publication on the GEM website. Issuers are not generally required to disclose information by means of paid announcements in gazetted newspapers. Accordingly, shareholders and investors should note that they need to have access to the GEM website in order to obtain up-to-date information on listed issuers.

2.21 References in the GEM Listing Rules to informing or notifying the Exchange mean, unless the context requires otherwise, that the information must be either:—

- (1) delivered in hard copy or in : The GEM Listing Division, 3611th  
an electronic format as Floor, ~~Jardine~~—HouseOne

- specified by the Exchange to International Finance Centre, 1 Harbour View Street, Central, Hong Kong; or
- (2) sent by electronic means (in the format specified by the Exchange) to : The GEM Listing Division at its electronic mail address, as specified from time to time; or
- (3) sent by facsimile copy to : The GEM Listing Division on ~~2971-0171~~2295-3599,

or to such other address or number as may be announced by the Exchange from time to time or in such other manner as may be determined and promulgated by the Exchange from time to time. In addition, a hard copy of such information must be provided to the Exchange if requested by the Exchange.

## Chapter 7

### GENERAL

#### ACCOUNTANTS' REPORTS

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:—

#### ~~Two year~~ hHistory of results

- (1) the results of the issuer or, if the issuer is a holding company, the consolidated results of the issuer and its subsidiaries covering ~~at least:~~
  - (a) ~~at least~~ the 2 financial years immediately preceding the issue of the listing document;
  - (b) ~~where the issuer satisfies the conditions set out in rule 11.12(3), at least the 12 month period from the commencement of its active business pursuits;~~ or
  - (c) ~~such shorter period as may be acceptable to the Exchange (see rule 11.14);~~

Note: The accountants' report must cover a period of at least 24 months of active business pursuits in the case of a new applicant described in rule 11.12(2)(a).

- (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 accounts 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) ~~or such shorter period as may be acceptable to the Exchange (see rule 11.14).~~

#### ~~Two year~~ bBalance sheet

- (3) (a) the balance sheet of the issuer and, if the issuer is itself a holding company, the consolidated balance sheet of the issuer and its subsidiaries in each case as at the end of each of the two financial years to which the latest audited accounts of the issuer have been made up except that if the listing document is not required by either section 38(1) or section 342(1) of the Companies Ordinance to set out the reports

specified in Part II of the Third Schedule of that Ordinance and the issuer is itself a holding company then the accountants' report need only include the consolidated balance sheet of the issuer and its subsidiaries;

- (b) in the case of banking companies, the balance sheet as at the end of each of the two financial years prepared in accordance with rule 7.03(3)(a) must include information on the assets and liabilities set out in the Financial Disclosure by Locally Incorporated Authorized Institutions issued by the Hong Kong Monetary Authority;
- (4) (a) the balance sheet of any business or subsidiary acquired, agreed to be acquired or proposed to be acquired since the date to which the latest audited accounts 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 accounts of such business or subsidiary (as the case may be) have been made up;
- (b) in the case of banking companies, the balance sheet 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 Financial Disclosure by Locally Incorporated Authorized Institutions issued by the Hong Kong Monetary Authority;

~~Two-year-e~~*Cash flow statement*

- (4A) the cash flow statement of the issuer or, if the issuer is itself a holding company, the consolidated cash flow statement of the issuer and its subsidiaries in each case for each of the two financial years to which the latest audited accounts of the issuer have been made up;

~~Two-year-s~~*Statement of movements in equity*

- (4B) a statement of movements in equity of the issuer other than those arising from capital transactions with shareholders and distributions to shareholders for each of the two financial years to which the latest audited accounts of the issuer have been made up;

*Additional disclosures for Financial Conglomerates*

- (4C) where the issuer is regarded as a financial conglomerate (see rule 18.37B) in any of the two financial years to which the latest audited accounts have been made up, the information required by rule 18.37A in respect of the financial year or years in which the issuer is regarded as a financial conglomerate;

*Other*

- (5) the earnings per share and the basis of computation in respect of each of the years referred to in (1) and (2) above except that the accountants' report need not include this information if, in the opinion of the reporting accountants, such information is not meaningful having regard to the purpose of the accountants' report or if combined results are presented in accordance with rule 7.08 or if the accountants' report relates to an issue of debt securities;
- (6) all movements to and from any reserves including movements arising from:—
  - (a) consolidation or acquisition (i.e. the write-off of goodwill/establishment of a capital reserve);
  - (b) the revaluation of assets;
  - (c) the translation of accounts denominated in foreign currencies; or
  - (d) the redemption or repurchase of shares of the issuer

if those movements are not reflected in the results in respect of each of the years referred to in (1) and (2) above;

- (7) a statement of the indebtedness as at the end of each of the period reported on showing, as regards bank loans and overdrafts and separately as regards other borrowings of the issuer (or of the issuer and its subsidiaries, including any company which will become a subsidiary by reason of any acquisition falling within rules 7.03(2) and (4)), the aggregate amounts repayable:—
  - (a) on demand or within a period not exceeding 1 year;
  - (b) within a period of more than 1 year but not exceeding 2 years;
  - (c) within a period of more than 2 years but not exceeding 5 years; and
  - (d) within a period of more than 5 years;
- (8) the details of the principal accounting policies which have been applied in respect of the period reported on;
- (9) a statement of any significant subsequent events which have occurred to any business or company or within any group covered by the accountants' report since the end of the period reported on or, if there are no such events, a statement of that fact; and

- (10) any other matters which appear to the reporting accountants to be relevant having regard to the purpose of the accountants' report.

*Note: Where a new applicant satisfies the conditions set out in rule 11.12(3) or rule 11.14, references to "the two financial years" or "the financial year" in rules 7.03(2) to 7.03(7) shall mean the period(s) described in rule 7.03(1)(b) or rule 7.03(1)(c) (as the case may be).*

- 7.05 In the cases referred to in rule 7.01(3) concerning a circular in connection with a major transaction, a very substantial acquisition or a reverse takeover, the accountants' report must include:—

*Three year history of results*

- (1) (a) the results, for the relevant period, of the business which, or of the company (or, if that company is itself a holding company, of the company and its subsidiaries) in whose share capital an interest, has been acquired, agreed to be acquired or is proposed to be acquired since the date to which the latest published audited accounts of the issuer have been made up; provided always that where any company in question has not or will not become a subsidiary of the issuer, the Exchange may be prepared to relax this requirement;

*Note: For the purposes of this rule, the "relevant period" comprises each of the 3 financial years (applicable to such business or company) immediately preceding the issue of the circular (or the period since commencement of such business or the incorporation or establishment of such company, as the case may be, if less) or such shorter period as may be acceptable to the Exchange.*

- (b) in the case of banking companies, the report on results prepared in accordance with rule 7.05(1)(a) must include the information on results set out in the Financial Disclosure by Locally Incorporated Authorized Institutions issued by the Hong Kong Monetary Authority;

*Three year balance sheet*

- (2) (a) the balance sheet of the business which, or of the company (and, if that company is itself a holding company, the consolidated balance sheet of the company and its subsidiaries) in whose share capital an interest has been acquired, agreed to be acquired or is proposed to be acquired since the date to which the latest published audited accounts of the issuer have been made up, in each case as at the end of each of the three financial years (or the end of each of the financial years since

commencement of such business or the incorporation or establishment of such company, as the case may be, if less) to which the latest audited accounts of such business or company (as the case may be) have been made up;

- (b) in the case of banking companies, the balance sheet as at the end of each of the three financial years (or the end of each of the financial years since commencement of such business or the incorporation or establishment of such company, as the case may be, if less) must include the information on the assets and liabilities set out in the Financial Disclosure by Locally Authorized Institutions issued by the Hong Kong Monetary Authority;

*Three year cash flow statement*

- (2A) the cash flow statement of the business which, or of the company (or, if that company is itself a holding company, of the company and its subsidiaries) in whose share capital an interest, has been acquired, agreed to be acquired or is proposed to be acquired since the date to which the latest published audited accounts of the issuer have been made up, in each case for each of the three financial years (or for each of the financial years since commencement of such business or the incorporation or establishment of such company, as the case may be, if less) to which the latest audited accounts of such business or company (as the case may be) have been made up

*Three year statement of movements in equity*

- (2B) a statement of movements in equity of the business which, or of the company (or, if that company is itself a holding company, of the company and its subsidiaries) in whose share capital an interest, has been acquired, agreed to be acquired or is proposed to be acquired since the date to which the latest published audited accounts of the issuer have been made up, in each case for each of the three financial years (or for each of the financial years since commencement of such business or the incorporation or establishment of such company, as the case may be, if less) to which the latest audited accounts of such business or company (as the case may be) have been made up.

*Additional disclosures for Financial Conglomerates*

- (2C) where the business or company acquired or to be acquired is regarded as a financial conglomerate (see rule 18.37B) in any of the three financial years (or for each of the financial years since commencement of such business or the incorporation or establishment of such company, as the case may be, if less) to which the latest audited accounts have been made up, the information



required by rule 18.37A in respect of the financial year or years in which the issuer is regarded as a financial conglomerate;

- (3) all movements to and from any reserves including movements arising from:—
- (a) consolidation or acquisition (i.e. the write-off of goodwill/establishment of a capital reserve);
  - (b) the revaluation of assets; or
  - (c) the translation of accounts denominated in foreign currencies; or
  - (d) the redemption or repurchase of shares of the issuer,

if those movements are not reflected in the results in respect of each of the financial years referred to in (1) above;

- (4) a statement of the indebtedness as at the end of each of the period reported on showing, as regards bank loans and overdrafts and separately as regards other borrowings of the business or company or company and its subsidiaries covered by the accountants' report, the aggregate amounts repayable:—
- (a) on demand or within a period not exceeding 1 year;
  - (b) within a period of more than 1 year but not exceeding 2 years;
  - (c) within a period of more than 2 years but not exceeding 5 years; and
  - (d) within a period of more than 5 years,

except that such an analysis of debt repayments need not be included in the case of a major transaction (see rule 19.55);

- (5) the details of the principal accounting policies which have been applied in respect of the period reported on;
- (6) a statement of any significant subsequent events which have occurred to any business or company or company and its subsidiaries covered by the accountants' report since the end of the period reported on or, if there are no such events, a statement of that fact; and
- (7) any other matters which appear to the reporting accountants to be relevant having regard to the purpose of the accountants' report.

GENERAL

SUSPENSION AND RESUMPTION OF DEALINGS,  
CANCELLATION AND WITHDRAWAL OF LISTING

9.11 In the case of a suspension pending an announcement of any matter which is or may be of a price sensitive nature, the issuer shall use its reasonable endeavours to issue the announcement before commencement of the next half-day trading session on GEM (or before 9.30 a.m. on the next business day in the case of an announcement of a notifiable transaction (see rule 19.33) or a connected transaction (see rule 20.35)). In circumstances where it is not possible, for whatever reason, to issue the announcement within this time scale, the issuer shall, if requested to do so by the Exchange:—

- (1) issue a “holding” announcement on the GEM website, before commencement of the next half-day trading session on GEM; and
- (2) request a resumption of dealings in its securities with effect from commencement of the next half-day trading session on GEM.

*Notes: 1 Any holding announcement required for the purpose of this rule, should be in substantially the following form:—*

*“This announcement is made at the request of The Stock Exchange of Hong Kong Limited. The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*The directors of [ ] are aware that there remains outstanding information relating to the Company which is or may be of a price sensitive nature and which it is not practicable to publish at this time.*

*An announcement concerning this information will be made in due course, at the soonest practicable opportunity.*

*As required pursuant to the GEM Listing Rules, the Company has requested the resumption of dealings in its securities with effect from [ ].*

***In the meantime, investors are advised to exercise caution when dealing in the securities of the Company.***

*Made by order of the Board of [ ], the directors of which collectively and individually accept responsibility for the accuracy of this announcement.”*

- 2 A holding announcement of the type referred to in Note 1 above must be published in accordance with the requirements of Chapter 16.*

EQUITY SECURITIES

METHODS OF LISTING

10.12 A placing by or on behalf of a new applicant or by or on behalf of a listed issuer of securities of a class new to listing must be supported by a listing document which must comply with the relevant requirements of Chapter 14 and such a placing must comply with the following specific requirements:—

- (1) No allocations will be permitted to nominee companies unless the name of the ultimate beneficiary is disclosed, without the prior written consent of the Exchange.
- (2) Details of the placing must be published in accordance with the requirements of rules 16.07 or 16.08, as applicable, and (as regards the results) in accordance with sub-paragraph (4) below and rule 16.16.
- (3) In relation to any initial public offering to be effected by way of a placing or which includes a placing tranche, the listing document issued in connection therewith must state details of any arrangements to allocate securities to any placee on a preferential basis, as referred to in rule 13.02. The Exchange reserves the right to reject any such proposed arrangements.
- (4) The announcement of the results of the placing required pursuant to rule 16.16 must include a brief generic description of the placees. If securities have been placed with different groups of placees, then the announcement must contain a description of each group and the number of shares placed with each group, provided that certain types of placee (as specified in Note 1 to this rule) must be identified on an individually-named basis, with the number of shares placed with each named placee also being disclosed. In the case of an initial public offering effected by way of a placing or which included a placing tranche, the announcement must also include information on:-

(a) the level of interest in the placing;

(b) a table showing the distribution of the placing shares; and

(c) an analysis of the distribution, in particular, the concentration of the placing shares, including but not limited to the number of placing shares that are placed with the top 1, 5, 10 and 25 placees. Where, in the view of the Exchange, there is a high concentration of shares being marketed for which listing is sought with a few placees, a statement substantially in the following form:

“Investors should be aware that the concentration of shareholders may affect the liquidity of the shares of the [issuer]. Consequently,

shareholders and potential investors are advised to exercise caution when dealing in such shares.”

Notes: 1 *The purpose of this rule is to enable shareholders and investors to understand the broad composition of the ownership of the placed shares immediately prior to trading in those shares. The groups of placees which the issuer must identify in the announcement, to the extent applicable, include:—*

- (a) management shareholders and their associates (on an individually-named basis);*
- (b) directors and their associates (on an individually-named basis);*
- (c) substantial shareholders and their associates (on an individually-named basis);*
- (d) in relation only to an initial public offering effected by way of a placing or which included a placing tranche, significant shareholders and their associates (on an individually-named basis);*
- (e) employees;*
- (f) the Sponsor and its associates;*
- (g) the lead broker and/or any distributor and any connected clients of either (as defined in Note 2 below);*
- (h) customers or clients of the issuer;*
- (i) suppliers to the issuer; and*
- (j) the underwriters (if any) and their associates, if different from (f) or (g) above.*

*The announcement should, if applicable, give particulars of any duplication between the descriptions of placees and must indicate the number and proportion of shares placed to the public.*

2 *For the purposes of sub-paragraph (g) of Note 1 above “connected client” in relation to an Exchange Participant means any client of such Exchange Participant who is:—*

- (a) a partner of such Exchange Participant;*
- (b) an employee of such Exchange Participant;*

- (c) *where the Exchange Participant is a company,*
  - (i) *any person who is a substantial shareholder of such Exchange Participant; or*
  - (ii) *a director of such Exchange Participant;*
- (d) *the spouse or infant child or step child of any individual described in (a) to (c) above;*
- (e) *a person in his capacity as trustee of a private or family trust (other than a pension scheme) the beneficiaries of which include any person in (a) to (d) above;*
- (f) *a close relative of any person in (a) to (d) above where his account is managed by such Exchange Participant in pursuance of a discretionary managed portfolio agreement; or*
- (g) *a company which is a member of the same group of companies as such Exchange Participant.*

3 *For the purposes of this rule, “associate” (in the context of any significant shareholder, the Sponsor or underwriters (if any)) shall have the same meaning as set out in rule 1.01, save that it shall be construed as also applying to a significant shareholder, Sponsor and an underwriter.*

- (5) Dealings in the securities cannot commence until the Exchange has been supplied with and approved a list setting out the names, addresses and identity card or passport numbers (where individuals) and the names, addresses and business registration numbers (where companies) of all placees, the names and addresses of the beneficial owners (in the case of nominee companies) and the amounts taken up by each placee.
- (6) Separate Marketing Statements in the form set out in Appendix 5D signed by each of: (a) the lead broker; (b) any distributor(s); and (c) any Exchange Participant referred to in rule 12.26(6)(a), must be lodged with the Exchange before dealings commence.
- (7) The lead broker and each distributor and Exchange Participant referred to in sub-paragraph (6) above must keep a record of their placees for at least 3 years following the placing. This record should contain the information referred to in sub-paragraph (5) above.

10.48 Securities may be brought to listing by an exchange or a substitution of securities for or a conversion of securities into other classes of securities. A conversion of securities includes:—

- (1) the exercise of options, warrants or similar rights to subscribe or purchase securities as granted in accordance with Chapter 21;
- (2) the conversion of convertible equity securities as issued in accordance with Chapter 22;
- (3) the exercise of options granted to or for the benefit of ~~executives and/or employees-participants~~ as granted in accordance with Chapter 23; and
- (4) the conversion of convertible debt securities in accordance with Chapter 34.

## Chapter 11

### EQUITY SECURITIES

#### QUALIFICATIONS FOR LISTING

- 11.10 A new applicant and, if required pursuant to rule 7.01, a listed issuer must have an accountants' report prepared in accordance with Chapter 7, covering (subject to rule 11.14) in the case of a new applicant, at least the 2 financial years immediately preceding the issue of the listing document or if the new applicant satisfies the conditions set out in rule 11.12(3), at least the 12 month period from the commencement of its active business pursuits.

*Note: The accountants' report must cover a period of at least 24 months of active business pursuits in the case of a new applicant described in rule 11.12(2)(a).*

- 11.12 (1) Subject to rule 11.14, a new applicant must demonstrate that, throughout the period specified in sub-paragraph (2) below, —period of 24 months immediately preceding the date of the listing document, it has, either by itself or through one or more of its subsidiaries, actively pursued one focused line of business under substantially the same management and ownership as exist~~ing~~ at the time of the application for listing, and must make a statement in the listing document concerning that business which complies with the requirements of rules 14.15 to 14.18.

(2) The period referred to in sub-paragraph (1) above is:-

- (a) at least the 24 months immediately preceding the date of submission of the listing application (on the prescribed form set out in Appendix 5A) by the new applicant; or
- (b) in the case of a new applicant satisfying the conditions specified in sub-paragraph (3) below, at least the 12 months immediately preceding the date of submission of the listing application (on the prescribed form set out in Appendix 5A) by the new applicant.

*Note: If the new applicant has a longer period of active business pursuits, the initial listing document should cover the full period from the commencement of active business pursuits.*

(3) The conditions referred to in sub-paragraph (2) above are:-

- (a) the new applicant has actively pursued its focused line of business for not less than 12 months;



- (b) (i) the new applicant has turnover of not less than HK\$500,000,000 in the last 12 months reported upon in the accountants' report contained in its initial listing document;

*Note: Where a financial period in the accountants' report commences before the "last 12 months", the new applicant must include a note in its accountants' report disclosing the turnover in that financial period attributable to the period after the commencement of the "last 12 months".*

- (ii) the new applicant has total assets of not less than HK\$500,000,000 as shown in the balance sheet in respect of the last financial period reported upon in the accountants' report contained in its initial listing document; or

*Note: The Exchange reserves the right to exclude the intangible assets of the new applicant from its total assets in determining whether the total assets meet the minimum requirement of HK\$500,000,000 if it is of the view that the intangible assets constitute a material portion of the new applicant's total assets.*

- (iii) the expected market capitalisation of the securities of the new applicant (determined as at the time of listing) must be not less than HK\$500,000,000;

- (c) at the time of listing, the equity securities of the new applicant which are in the hands of the public (see Notes 2 and 3 to rule 11.23) must:

- (i) have a market capitalisation of not less than HK\$150,000,000; and

- (ii) be held among at least 300 shareholders (including those whose equity securities are held through CCASS) with the largest 5 and largest 25 of such shareholders holding in aggregate not more than 35 per cent and 50 per cent, respectively, of the equity securities (being shares) in the hands of the public; and

*Note: In the case where shareholders of the new applicant obtained their securities through a distribution in specie, only a maximum of 100 such shareholders may be counted in determining whether the requirement of "at least 300 shareholders" is met.*

(d) the offering price of the shares of the new applicant at its initial public offering must be not less than HK\$1.00.

- Notes: 1 *The requirement for a new applicant to demonstrate its active business pursuits is one specific to GEM.*
- 2 *As GEM has been established with the intention of appealing to emerging or growth companies from all industrial and commercial sectors, it is acknowledged that they may not necessarily be able to demonstrate past profits or a consistently profitable track record.*
- 3 *Nevertheless, a new applicant must be able to demonstrate that it has a business of both substance and potential. A business will, subject to rule 11.14, only be regarded as having the requisite substance if the applicant can show that it has spent at least the 24 month period prior to the issue of the listing document, or for applicants satisfying the conditions of rule 11.12(3), at least the 12 month period set out in rule 11.12(2)(b). making substantial progress in building up that business.*
- 4 *Whilst every new applicant will wish to demonstrate its own particular activities and performance in the manner it regards as most befitting, the Exchange requires the information to be presented in a reasonable level of detail and in a manner which complies with rules 14.15 to 14.18.*
- 5 *It is for the Sponsor to satisfy itself, to the best of its knowledge and belief, having made due and careful enquiries, that the new applicant has made sufficient efforts and progress to proceed with a listing on GEM and that it is suitable for a listing on GEM.*
- 6 *For a new applicant to be considered suitable for listing, it should be actively engaged in one focused line of business rather than two or more disparate businesses. The reason for this is that the Exchange expects an applicant's management to be devoting its attention towards advancing one core business rather than a variety of concerns which compete or may compete for their attention.*
- 7 *In exceptional circumstances, the Exchange may, at its discretion and on a case by case basis, permit the listing of a new applicant notwithstanding changes of a material nature in management and ownership during the period referred to in this rule.*

11.23 There must be an open market in the securities for which listing is sought. This will normally mean that:—

- (1) for any class of equity securities, at least the “minimum prescribed percentage” of such class of securities in issue from time to time must, at the time of listing and at all times thereafter, be in the hands of the public, ~~and~~

*Notes: 1 For the purposes of the GEM Listing Rules, the “minimum prescribed percentage” for any class of equity securities of an issuer shall be established by reference to the ~~issued securities of that class held by the public immediately prior to the date on which securities of the issuer first commence trading on GEM, expected market capitalisation of the issuer at the time of listing~~ in accordance with the following table:—*

<b><i>Market capitalisation (determined as at the time of listing)</i></b>	<b><i>Minimum prescribed percentage of securities to be in public hands</i></b>
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<i>Not exceeding HK\$<del>14</del>,000m</i>	<i>2<del>50</del> per cent.</i>
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<i>Over HK\$<del>14</del>,000m <del>but not exceeding</del> HK\$1,333m</i>	<i>The higher of: i) the percentage that would result in the market value of the securities to be in public hands equal to HK\$<del>21,000</del>m (determined as at the time of listing); and ii) 20 per cent.</i>
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<i>Over HK\$1,333m</i>	<i>15 per cent</i>
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- 2 Listed issuers which commenced dealings of their securities on GEM before 1 October 2001 should at all times comply with the following "minimum prescribed percentage" requirement:-

<b><u>Market capitalisation (determined as at the time of listing)</u></b>	<b><u>Minimum prescribed percentage of securities to be in public hands</u></b>
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<u>Not exceeding HK\$1,000m</u>	<u>20 per cent.</u>
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<u>Over HK\$1,000m but not exceeding HK\$1,333m</u>	<u>The percentage that would result in the market value of the securities to be in public hands equal to HK\$200m (determined as at the time of listing)</u>
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<u>Over HK\$1,333m</u>	<u>15 per cent.</u>
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- (2) with regard to all equity securities for which a listing is sought, except those specified in sub-paragraphs (3) and (4):—
  - (a) the market capitalisation of such equity securities (determined as at the time of listing) in the hands of the public must be at least HK\$30,000,000; and
  - (b) there must, as at the time of listing, be an adequate spread of holders of such securities. The number will depend on the size and nature of the issue but, as a guideline, the equity securities in the hands of the public should, as at the time of listing, be held among at least 100 persons (including those whose equity securities are held through CCASS);  
~~and~~

*Note: Where rule 11.12(2)(b) applies, the equity securities in the hands of the public must also meet the requirements of rule 11.12(3)(c).*

- (3) with regard to options, warrants or similar rights to subscribe or purchase shares (“warrants”) for which a listing is sought:—
  - (a) in the case of a new applicant:—
    - (i) the market capitalisation of such warrants (determined as at the time of listing) must be at least HK\$6,000,000; and
    - (ii) there must, as at the time of listing, be an adequate spread of holders of such warrants. The number will depend on the size and nature of the issue but, as a guideline, the warrants in the hands of the public should, as at the time of listing, be held among at least 100 persons (including those whose warrants are held through CCASS); and
  - (b) in the case of a listed issuer:—
    - (i) the market capitalisation of such warrants (determined as at the time of listing) must be at least HK\$6,000,000; and
    - (ii) save where such warrants are offered to existing holders of the issuer’s securities by way of bonus issue, there must, as at the time of listing be an adequate spread of holders of such warrants. The number will depend on the size and nature of the issue but, as a guideline, the warrants in the hands of the public should, as

at the time of listing, be held among at least 100 persons (including those whose warrants are held through CCASS); ~~and~~

- (4) in the case of a listed issuer seeking the listing of further securities of a class already listed, neither of the restrictions set out in sub-paragraph (2) and (3) shall apply; and
- (5) exceptionally, the Exchange may accept a lower percentage than that specified in sub-paragraph (1) above where it is satisfied that the number of securities concerned and the extent of their distribution would enable the market to operate properly with a lower percentage.

*Notes: 1 Issuers should note that the minimum prescribed percentage of securities must remain in public hands at all times. If the percentage falls below the minimum, the Exchange has the right to cancel the listing or suspend trading until appropriate steps have been taken to restore the minimum percentage of securities in public hands (see also rule 17.36). If the Exchange is satisfied that, even though the percentage has fallen below the minimum, there remains an open market in the securities, the Exchange may refrain from suspension against receipt of an undertaking from the controlling shareholder(s) to take appropriate steps to ensure restoration of the minimum percentage of securities to public hands within a specified period. At any time when the percentage of securities in public hands is less than the required minimum, and the Exchange has permitted trading in the securities to continue, the Exchange will monitor closely all trading in the securities to ensure that a false market does not develop and will suspend the securities promptly if there is any unusual price movement.*

2 The Exchange will not regard:

(a) at any time, any connected person of the issuer;

(b) at the time of listing and for the duration of the periods referred to in rule 13.16, any initial management shareholder (as defined in rule 13.15);

(c) ~~or~~, at the time of listing and for the duration of the 6-month period referred to in rule 13.17~~18~~ (the “moratorium period”), any significant shareholder; ~~or~~

(d) at the time of listing, any employee of the issuer or its subsidiaries or an associate of such employee (for the purposes of this Note, “associate” shall have the same meaning as set out in rule 1.01, save that it shall be construed as applying to the employee)

as a member of “the public” or shares held by any such person (in the case of an initial management shareholder (as defined in rule 13.15) or a significant shareholder, being shares held by him# during the moratorium-relevant periods specified in rule 13.16 or the period specified in rule 13.17 (as the case may be)) as being “in public hands”.~~In addition~~

3 ~~—#~~The Exchange will also not recognise as a member of “the public”:—

- (a) any person whose acquisition of securities has been financed directly or indirectly by a connected person; or
- (b) any person who is accustomed to taking instructions from a connected person in relation to the acquisition, disposal, voting or other disposition of securities of the issuer registered in his name or otherwise held by him.

4 With regard to Note 2(d) above, it is the issuer's responsibility to ensure that sufficient information is obtained in relation to securities held by such employee or its associate in determining whether the issuer meets the requirements for minimum prescribed percentage/market capitalisation of equity securities in public hands.

EQUITY SECURITIES

APPLICATION PROCEDURES AND REQUIREMENTS

12.24 The following must be lodged with the Exchange, in the case of a new applicant, as soon as practicable after the hearing of the application by the GEM Listing Committee but on or before the date of issue of the listing document and, in the case of a listed issuer, on or before the date of issue of the listing document:—

- (1) in the case of a new applicant, the signed Sponsor's declaration in the form set out in Appendix 7G, as referred to in rule 6.47 and in the case of a listed issuer proposing to issue a listing document of the type referred to in rule 6.58 within the minimum period referred to in rule 6.01 or any period fixed for the purposes of rule 6.02, the signed Sponsor's declaration in the form set out in Appendix 7J as referred to in rule 6.57;
- (2) 7 copies of the listing document:—
  - (a) one of which must be dated and signed by every person who is named therein as a director or proposed director of the issuer or by his agent authorised in writing and by the secretary or, in the case of a capitalisation issue, one of which has been dated and signed by the secretary; and
  - (b) one of which must be marked in the margin to indicate where compliance has been made with the relevant provisions of the GEM Listing Rules and, in the case only of a prospectus, to indicate where compliance has been made with the relevant provisions of the Companies Ordinance;
- (3) where any document referred to in (2)(a) above is signed by an agent, a certified copy of the authorisation for such signature;
- (4) 7 copies of the formal notice, where applicable;
- (5) 7 copies of any application form (including any excess or preferential application form) to subscribe or purchase the securities for which listing is sought;
- (6) a certified copy of every letter, report, financial statement, statement of adjustments, valuation, contract, resolution or other document (including any profit forecast memorandum, if applicable) any part of which is extracted or referred to in the listing document, other than, in the case of a capitalisation issue, the annual report and accounts and the certified copies

of every resolution extracted or referred to in the listing document supporting the capitalisation issue;

*Note: The Exchange must be passed a certified copy of any valuation report in respect of properties held under operating leases notwithstanding that the full text of such valuation report may not be required to be included in the listing document, as referred to in rule 8.06.*

- (7) a certified copy of the written consent by any expert to the issue of the listing document with the inclusion therein of the following in the form and context in which they are included:—
  - (a) a statement purporting to be a copy of or extract from or summary of or reference to a report or valuation or other statement by such expert; and
  - (b) any recommendation by such expert in relation to acceptance or rejection of an offer or proposal;
- (8) in the case of a class of securities new to listing, a copy of the written notification issued by HKSCC stating the securities will be Eligible Securities;
- (9) any undertakings referred to in the listing document and/or required to be given to the Exchange, including (where it has been possible to ascertain and complete the same prior to the issue of the listing document) those undertakings from initial management shareholders (see rule 13.16) and significant shareholders (see rule 13.178) substantially in the forms set out in Appendix 5G and 5H respectively; together, where possible, with copies of the proposed form(s) of agreement(s) with relevant escrow agent(s) (see rules 13.16 and 13.178);
- (10) a specimen of any temporary document of title, where applicable; and
- (11) a specimen of the definitive certificate or other document of title, unless the securities for which listing is sought are or are to be identical in all respects with a class already listed.

12.26 As soon as practicable after the issue of the listing document but before dealings commence, the following documents must be lodged with the Exchange in respect of both a new applicant and a listed issuer:—

- (1) unless previously supplied under rules 12.22 or 12.24 a certified copy of the resolution(s) therein referred to and in the case of a capitalisation issue (unless previously supplied under rule 12.24(6)), a certified copy of any



- resolution which is extracted or referred to in the listing document supporting the capitalisation issue and the annual report and accounts;
- (2) the completed company information sheet, in the prescribed form set out in Appendix 5F, submitted in the electronic format specified by the Exchange from time to time, for publication on the GEM website, together with a hard copy duly signed by or on behalf of each of the directors of the issuer;
  - (3) a copy of the relevant page(s) of any newspaper circulating in Hong Kong in which the listing document (if any) and/or any formal notice was published (if any);
  - (4) in the case of an offer for subscription or an offer for sale, a copy of the relevant page(s) of any newspaper circulating in Hong Kong in which the results of the offer were published (if any), and a list containing the name and address and number of securities received by each successful applicant;
  - (5) in the case of an offer for subscription or an offer for sale by tender, a copy of the relevant page(s) of any newspaper circulating in Hong Kong in which the announcement of the striking price was published (if any);
  - (6) in the case of a placing of securities by a new applicant, or in the case of the placing by a listed issuer of a class of securities new to listing:—
    - (a) a copy of the placing letter and separate marketing statements in the form set out in Appendix 5D signed by each of: (i) the lead broker; (ii) any distributors; and (iii) any Exchange Participant referred to in that Appendix; and
    - (b) a list from each placing broker setting out the names, addresses and identity card or passport numbers (where individuals) and the names, addresses and business registration numbers (where companies) of all its placees, the names and addresses of the beneficial owners (in the case of nominee companies) and the amounts taken up by each of its placees. Such lists may be supplied directly to the Exchange by each placing broker in order to maintain confidentiality;
  - (7) a declaration substantially in the form set out in Appendix 5E, duly signed by a director and the secretary of the issuer together with any fee which is payable and which has not previously been paid (see Appendix 9);
  - (8) in the case of a new applicant only, a declaration substantially in the form set out in Appendix 7I duly signed by the Sponsor; and
  - (9) in the case of a new applicant only, duly completed undertakings from each of the initial management shareholders (see rule 13.16) and each of the

significant shareholders (see rule 13.178) substantially in the forms set out in Appendix 5G and 5H respectively, together with copies of all proposed form(s) of agreement(s) with relevant escrow agent(s), in all cases, to the extent not previously provided pursuant to rule 12.24(9).

## Chapter 13

### EQUITY SECURITIES

#### RESTRICTIONS ON PURCHASE, DISPOSAL AND SUBSCRIPTION

13.02 With regard to any securities proposed to be placed by a new applicant, ~~:-~~

- ~~(1) no preferential terms or treatment as to price or otherwise may be afforded to any placee (but not to others), save that with adequate disclosure in the listing document, preferential treatment may be given to placees in respect of the allocation of securities. For the purposes of this rule, the disclosure to be made in the listing document issued in connection with the placing must include details of:—~~
- ~~(1) existing shareholders or directors and their respective associates (each identified on an individually-named basis) to whom it is proposed to place shares, ~~:-~~ and~~
- ~~(2) any arrangement to place shares to employees of the group (without any need to identify individuals)~~

indicating, in each case, the number and/or proportion of shares to be so placed. The Exchange reserves the right to reject any such proposed arrangements.

- ~~(2) normally no more than 10 per cent of any securities being marketed for which listing is sought may be offered to employees or past employees of the new applicant or its subsidiaries or associated companies and their respective dependents or any trust, provident fund or pension scheme for the benefit of such persons on a preferential basis. Other than the allocation of securities, no preferential terms or treatment as to price or otherwise may be afforded to such employees. Adequate disclosure in the listing document must be made of any arrangement to place shares to such employees (without any need to identify individuals), and the number and/or proportion of shares to be so placed. Any preferential treatment must be approved by the Exchange prior to the marketing and the new applicant concerned may be called upon to supply particulars of such employees, past-employees and their respective dependants and the objects, beneficiaries or members of any trust, provident fund or pension scheme as well as the results of subscription by employees, past-employees, their respective dependants and any trust, provident fund or pension scheme for the benefit of such persons. The new applicant must maintain records of such particulars for a period of not less than 12 months from the date of approval and make the same available for inspection by the Exchange during such period.~~

13.15 For the purposes of rules 13.15 to 13.20~~4~~, the following terms have the following meanings:—

- (1) “excluded securities” means securities of the new applicant allotted or sold pursuant to the initial public offering (including any placing) conducted in conjunction with the application for listing;
- (2) “initial management shareholder” means any management shareholder of the issuer immediately prior to the date of the issuer's initial listing document and any person referred to in Note 1 below.

Notes: 1 The Exchange will normally regard the following persons, if they are shareholders of the issuer immediately prior to the listing date, to be initial management shareholders:-

(i) a member of the senior management of the issuer, including but not limited to any person identified as senior management in the issuer's initial listing document;

(ii) a director of the issuer; or

(iii) a shareholder of the issuer who is represented on the board of directors of the issuer, including but not limited to an investment fund.

Note 2:- The Exchange reserves a power to deem any party to be an initial management shareholder in circumstances where, prior to the date of the issue of the listing document, that party has been a management shareholder and on or after the listing date, that party again becomes a management shareholder.

- (3) “listing date” means the date on which securities of the new applicant commence trading on GEM;
- (4) “relevant securities”, in relation to an initial management shareholder or significant shareholder, means:—
  - (a) securities of the issuer (other than excluded securities) in issue immediately prior to the listing date;
  - (b) securities of the issuer arising from the exchange, substitution or conversion of securities (other than excluded securities) in issue immediately prior to the listing date;

- (c) securities of the issuer arising pursuant to the exercise of any options, warrants or similar rights (other than excluded securities) held immediately prior to the listing date; ~~and~~
- (d) securities of the issuer allotted pursuant to any capitalisation issue effected after the listing date, other than those allotted in respect of excluded securities (and provided always that no securities allotted by way of scrip dividend shall comprise relevant securities);
- (e) securities of the issuer subscribed by any initial management shareholder pursuant to an issue of securities made in the manner described in rule 13.15(5)(b);
- (f) securities of the issuer issued within 6 months of the listing date pursuant to rule 17.29(1) or rule 17.29(2) and subscribed by or allotted to any such shareholder (or where rule 17.29(2) is applicable, any shareholder described in rule 17.29(2)(e)); and
- (g) securities of the issuer returned to the shareholder as part of the stock lending arrangement described in rule 13.15(5)(a)(iii)

in respect of which he is entitled to exercise or control the exercise of the voting power at general meetings of the issuer; and

- (5) references to a “disposal” (of securities) includes the creation of any option, rights or interests (over such securities) ~~but shall exclude the following:~~
  - (a) any stock lending arrangement with an underwriter of the initial public offering of the new applicant’s securities which satisfies the following conditions:
    - (i) the stock lending arrangement is fully described in the initial listing document and must be for the sole purpose of covering any short position prior to the exercise of the underwriter's over-allotment option or similar right;
    - (ii) the maximum number of shares to be borrowed from the relevant shareholder is the maximum number of shares that may be issued upon full exercise of the over-allotment option; and
    - (iii) the same number of shares borrowed is returned to the relevant shareholder and deposited with the escrow agent (see rules 13.16 and 13.17) within 3 business days after the last day on which the over-allotment option may be exercised or, if earlier, the date on which the over-allotment option is exercised in full; and

(b) any placing and issue of securities made in the manner described in rule 20.23(3)(d) during the second six month period of the issuer's listing date where:

(i) there is no change in the number of relevant securities held by the relevant shareholder before and after completion of the placing and issue of securities; and

(ii) the placing of securities does not result in a controlling shareholder of the issuer ceasing to be a controlling shareholder after completion of the placing and issue of securities.

13.16 A new applicant shall procure that every initial management shareholder who is a shareholder immediately prior to the listing date ~~is entitled to exercise or control the exercise of 5 per cent or more of the voting power at general meetings of the issuer:—~~

(1) places in escrow, with an escrow agent ~~and acceptable to the Exchange, his relevant securities for a period of 2 years from the listing date,~~ on such terms ~~as are~~ acceptable to the Exchange; ~~all~~ his relevant securities for a period of:

(a) 12 months from the listing date; or

(b) where that shareholder's relevant securities represent no more than 1 per cent of the issued share capital of the new applicant as at the listing date, 6 months from the listing date; and

(2) undertakes to the new applicant and the Exchange that, for the periods specified in rule 13.16(1), ~~a period of 2 years from the listing date,~~ he will not, save as provided in rule 13.17~~8~~, dispose of (nor enter into any agreement to dispose of) nor permit the registered holder to dispose of (or to enter into any agreement to dispose of) any of his direct or indirect interest in his relevant securities.

*Notes: 1 The duly completed undertakings, including in respect of the further matters set out in rule 13.19~~20~~, substantially in the form set out in Appendix 5G, must be delivered to the Exchange, at the latest, before dealings in the new applicant's securities commence on GEM (see rule 12.26(9)).*

2 Any additional securities of the issuer (or interest therein) acquired by an initial management shareholder following the listing date (except for any relevant securities of the initial management shareholder of the kind described in rules

13.15(4)(e), (f) and (g)) may be disposed of without regard to the restrictions set out in this rule.

3 As a transitional measure for listed issuers who commenced dealing of their securities on GEM before 1 October 2001, reference to a "new applicant" in rule 13.16 shall be construed to mean such listed issuers.

~~13.17 Nothing in rule 13.16 shall prevent the disposal of any interest of an initial management shareholder in relevant securities in the following circumstances:—~~

- ~~(1) at any time after the first anniversary of the listing date pursuant to a general offer for such securities made by an independent third party in accordance with the Takeover Code (provided such offer becomes or is declared unconditional in all respects) and subject to such disposal receiving the prior approval of shareholders of the issuer in general meeting, for which purposes no initial management shareholder nor any associate of an initial management shareholder shall be entitled to vote thereat;~~
- ~~(2) pursuant to a pledge or charge to an authorised institution under the Banking Ordinance, as security for a bona fide commercial loan;~~
- ~~(3) pursuant to a power of sale under the pledge or charge (granted pursuant to sub-paragraph (2));~~
- ~~(4) on the death of the initial management shareholder; or~~
- ~~(5) in any other exceptional circumstances to which the Exchange has given its prior approval.~~

~~13.17~~ 13.18 A new applicant shall procure that every significant shareholder:—

- (1) places in escrow, with an escrow agent and on such terms as are acceptable to the Exchange, all his relevant securities for a period of 6 months from the listing date; ~~and, on terms acceptable to the Exchange; and~~
- (2) undertakes to the new applicant and the Exchange that, for a period of 6 months from the listing date, he will not, save as provided in rule 13.189 dispose of (nor enter into any agreement to dispose of) nor permit the registered holder to dispose of (or to enter any agreement to dispose of) any of his direct or indirect interest in relevant securities.

*Notes: 1 The duly completed undertakings, including in respect of the further matters set out in rule 13.1920, substantially in the form set out in Appendix 5H must be delivered to the Exchange, at the*

*latest, before dealings in the new applicant's securities commence on GEM (see rule 12.26(9)).*

- 2 Any additional securities of the issuer (or interest therein) acquired by a significant shareholder following the listing date (except for any relevant securities of the significant shareholder of the kind described in rules 13.15(4)(f) and (g)) may be disposed of without regard to the restrictions set out in this rule.*
- 3 In the case of a significant shareholder which is a professionally-managed fund owned by multiple investors, the Exchange will normally be prepared to waive the escrow requirement referred to in rule 13.17~~8~~(1).*

13.1~~89~~ Nothing in rules 13.16 and 13.17~~13.18~~ shall prevent the disposal of any interest of an initial management shareholder or significant shareholder in relevant securities in the following circumstances:—

- (1) pursuant to a pledge or charge to an authorised institution under the Banking Ordinance, as security for a bona fide commercial loan;
- (2) pursuant to a power of sale under the pledge or charge (granted pursuant to sub-paragraph (1));
- (3) on the death of the initial management shareholder or significant shareholder; or
- (4) in any other exceptional circumstances to which the Exchange has given its prior approval.

13.1~~920~~—A new applicant shall procure that every initial management shareholder and significant shareholder undertakes to the new applicant and the Exchange to comply with the following requirements:—

- (1) in the event that the initial management shareholder or significant shareholder pledges or charges any direct or indirect interest in relevant securities under rule ~~13.17(2) or~~ 13.1~~89~~(1) ~~(as appropriate)~~ or pursuant to any right or waiver granted by the Exchange pursuant to rule ~~13.17(5) or~~ 13.1~~89~~(4) ~~(as appropriate)~~, at any time during the relevant periods specified in rule 13.16 or the period specified in rule 13.17 (as the case may be), of 2 years (in the case of an initial management shareholder) or 6 months (in the case of a significant shareholder) from the listing date, he must inform the issuer immediately thereafter, disclosing the details specified in rule 17.43(1) to (4); and



- (2) having pledged or charged any interest in relevant securities under subparagraph (1) above, he must inform the issuer immediately in the event that he becomes aware that the pledgee or chargee has disposed of or intends to dispose of such interest and of the number of securities affected.

13.201 An issuer that has been informed of any matter under rule 13.1920 must forthwith publish an announcement giving details of the same in accordance with the requirements of rule 17.43.

### **Restrictions on multiple applications**

13.212 Where securities are offered to the public for subscription or purchase, the issuer, its directors, Sponsor and, if applicable, underwriters must take reasonable steps to ensure that multiple or suspected multiple applications are identified and rejected.

*Note: Having taken reasonable steps as required by this rule, the issuer, its directors, Sponsor and, if applicable, underwriters will be entitled to rely on the declaration/representations made by an applicant.*

13.223 In this rule “multiple applications” means circumstances where more than one application is made by the same person or where a person applies for more than 100 per cent of the securities on offer to the public for subscription (and excluding any shares available for placing). Where an offer contains both a placing and a public subscription tranche, the shares available to the public for subscription are the initial allocation of shares in the public subscription tranche prior to any transfer between the placing tranche and public subscription tranche.

13.234 An issuer, its directors, Sponsor and, if applicable, underwriters must ensure that it is a term and condition of the offer of the securities (disclosed as such in the listing document and the relevant application form) that by completing and delivering an application form, each applicant warrants that:—

- (1) (if the application is made for his own benefit) no other application is being made for his benefit by him or by anyone applying as his agent or by any other person;
- (2) (if the application is made by him as agent for the benefit of another person) no other application is being made by him as agent for or for the benefit of that person or by that person or by any other person as agent for that person;
- (3) if he signs the application form as agent for someone else, he has due authority to do so on behalf of that other person.

13.245 The application form shall include a warning as follows:—

“Warning:—

*Only one application may be made for the benefit of any person.”*

and a declaration and representation as follows:—

*“I/we hereby declare that this is the only application made and the only application intended by me/us to be made, to benefit me/us or the person for whose benefit I am/we are applying. I/we understand that this declaration/representation will be relied upon by the issuer in deciding whether or not to make any allotment of shares in response to this application.”*

13.256 The application form shall also contain a stipulation to the effect that an application made by an unlisted company which does not carry on any business other than dealing in shares and in respect of which a person exercises statutory control shall be deemed to be an application made for the benefit of that person.

## Chapter 14

### EQUITY SECURITIES

#### LISTING DOCUMENTS

14.06 The methods of listing required by the GEM Listing Rules to be supported by a listing document are:—

- (1) an offer for subscription;
- (2) an offer for sale;
- (3) a placing of securities of a class new to listing;
- (4) an introduction;
- (5) a rights issue;
- (6) an open offer;
- (7) a capitalisation issue (including in the form of a scrip dividend) or a bonus issue of warrants; and
- (8) an exchange or substitution of securities (arising from consolidation or subdivision of shares or a reduction of share capital or otherwise but excluding a conversion of securities into securities of a class already listed).

14.15 A new applicant must include in its listing document a statement of active business pursuits providing both qualitative and quantitative information, in a reasonable level of detail, about the activities and performance of the issuer over the period referred to in rule 11.12(2).

*Notes: 1 In light of the wide range of companies that may wish to consider an application to list on GEM, it is not possible in the GEM Listing Rules to specify the contents of the statement of active business pursuits that would be applicable to all cases. The appropriate information to be disclosed in each case must be judged on the basis of the particular facts and circumstances of the case.*

*2 The purpose of the statement of active business pursuits is to set out the steps that have been taken to advance or operate the active business of the new applicant over the period referred to in rule 11.12(2). The statement should provide a balanced assessment of the*

*applicant's progress and achievements, together with any material setbacks or problems encountered, over that period.*

3 *In respect of each product, service or activity which forms part of the new applicant's focused line of business, the new applicant will be expected to describe the steps that have been taken to advance or operate the same. The description should be:—*

(a) *analysed by reference to such measurements of progress as appropriate. Examples of measurements which the Exchange would expect to see are set out in Note 4 below; and*

(b) *set out, so far as practicable, in compliance with rule 14.16.*

4 *Examples of measurements of progress that may be relevant are as follows:—*

(a) *sales and marketing activity (such as turnover, customer or client base, number of retail outlets or concessions, geographic mix and marketing strategy);*

(b) *production factors (such as equipment, premises and raw materials required and production processes);*

(c) *deployment of human resources (such as number, expertise, experience and turnover of personnel);*

(d) *product and/or process developments (such as phase of development);*

(e) *licensing developments (including details of type, purpose, expiry date, parties, exclusivity and financial effect);*

(f) *patent or other intellectual property protection (such as status of trade mark and patent registration in each market);*

(g) *joint ventures, collaborations or other business arrangements into which the applicant has entered (including details of the parties thereto and the purpose of any such arrangement, expiry date and financial effect);*

(h) *funding arrangements (such as the equity and debt finance previously obtained);*

- (i) in the case of infrastructure project companies, details of projects, project locations, concessions or mandates awarded, phases of development, pre-construction or construction;
- (j) regulatory approvals obtained; and
- (k) such matters as are otherwise relevant to the product, service or activity in question.

5 Whilst various of these measurements of progress will be applicable, it is for the Sponsor to assist the new applicant in determining the most appropriate measurements in the relevant circumstances.

14.16 The information provided in the statement of active business pursuits should, save in relation to the information provided in respect of the new applicant's current financial year, be set out by reference to ~~the these~~ financial year/period(s) of the new applicant forming the subject of the accountants' report (rule 11.10), in order to facilitate comparisons between the statement of active business pursuits and the financial year/period(s) reported on.

*Note: Since the statement of active business pursuits relates to a the 24-month period which extends up to the date immediately preceding the date of the listing document ~~(or such lesser period as may be approved pursuant to rule 11.14)~~, it is likely that the statement will not cover the same period as the accountants' report. Accordingly, part of the statement of active business pursuits should be set out by reference to the financial year/period(s) reported on in the accountants' report, with the balance of the statement applying to the current financial year up to the latest practicable date prior to issue of the listing document.*

14.18 In order to provide a context for assessing the active business pursuits of the new applicant, the statement of active business pursuits or another part of the listing document referred to in the active business pursuits must include general information on the industry or market environment in which the new applicant has been operating over the period referred to in rule 11.12~~(2)~~.

14.21 The information provided in the statement of business objectives should, so far as practicable, be set out by reference to the new applicant's half-year end (in the event this follows listing) and full-year end in respect of its current financial year and the half-year ends and full-year ends of the 2 financial years thereafter.

*Note: The purpose of this exercise is to facilitate future comparison between the issuer's statement of business objectives and its actual performance and future published financial information (see rules 18.4~~3~~<sup>2</sup> (annual reports) and 18.6~~2~~<sup>1</sup> (half-year reports)).*

# Chapter 17

## EQUITY SECURITIES

### CONTINUING OBLIGATIONS

#### *General obligation of disclosure*

17.10 Generally and apart from compliance with all the specific requirements of the GEM Listing Rules, an issuer shall keep the Exchange, members of the issuer and other holders of its listed securities informed, as soon as reasonably practicable, of any information relating to the group (including information on any major new developments in the group's sphere of activity which is not public knowledge) which:

- (1) is necessary to enable them and the public to appraise the position of the group; or
- (2) is necessary to avoid the establishment of a false market in its securities; or
- (3) might be reasonably expected materially to affect market activity in and the price of its securities.

*Notes: 1 Information should not be divulged outside the issuer and its advisers in such a way as to place in a privileged dealing position any person or class or category of persons. Information should not be released in such a way that Exchange transactions may be entered into at prices which do not reflect the latest available information. Without in any way derogating from this principle, issuers may, in appropriate circumstances, give advance information in strict confidence to persons with whom negotiations are taking place with a view to the making of a contract or the raising of finance, e.g. to prospective underwriters of an issue of securities or providers of funds on loan. In any such case the persons receiving such information will be expected not to deal in the issuer's securities until the information has been released.*

*2 When developments are on hand which are likely to have a significant effect on market activity in or the price of any listed securities, **it is the direct responsibility of the directors to ensure that such information is kept strictly confidential** until a formal announcement is made. To this end the directors must ensure that the strictest security is observed within the issuer and its advisers and if at any time it is felt that the necessary degree of security cannot be maintained or that security may have been breached, an announcement should be made as soon as*

*possible thereafter. In the case of an approach which may lead to an offer for all or part of the listed securities of the issuer, unless security by all parties can be assured, a warning announcement should be issued indicating that the issuer is in discussions which may lead to an offer for those securities. The lack of a warning announcement in some situations may lead to the establishment of a false market. In merger and takeover transactions, particularly where no warning announcement has been issued, a temporary suspension of dealings may be appropriate where negotiations have reached a point at which an offeree company is reasonably confident that an offer will be made for its shares or where negotiations or discussions are extended to embrace more than a small group of people.*

- 3 The issuer may be obliged (by statute or otherwise) to impart information to a third party. If such information thereby enters the public domain and is of a price-sensitive nature, it should be simultaneously released to the market.*
- 4 The question of timing of the release of an announcement to the market is crucial, having regard to its possible effect on the market price of the issuer's listed securities. The overriding principle is that information which is expected to be price-sensitive should be announced immediately it is the subject of a decision. Failure to follow this principle may result in the Exchange imposing a temporary suspension of dealings.*
- 5 The issuer must endeavour to avoid any suspension of its securities having regard to the provisions of rule 9.03 and the Notes thereto.*
- 6 Rule 17.56 sets out general principles as to the presentation of information in all announcements, listing documents and circulars required to be published under the GEM Listing Rules.*
- 7 Any obligation to inform holders of the issuer's securities or the public will be satisfied by the information being announced in accordance with rule 17.05.*
- 8 Where it is proposed to announce at any meeting of holders of listed securities information which might affect the market price of the issuer's securities, arrangements should be made for the release of that information to the market simultaneously or immediately after the meeting in accordance with Chapter 16.*
- 9 If the directors consider that disclosure of information to the public might prejudice the issuer's business interests, the Exchange must be consulted as soon as practicable.*

10 *Information should be released before the stage when it needs to be made available outside the directors, employees and advisers necessarily concerned. The date of the requisite board meeting should be fixed with this consideration in mind; if a suitable date cannot be fixed, it may be necessary for the board to delegate its power of approval to a committee so that the appropriate announcement can be made at the proper time.*

11 *If, during the period of any profit forecast made by the issuer:—*

- (a) an event occurs which, had it been known at the time the profit forecast was made, would have caused any of the assumptions upon which the forecast is based to have been materially different; or*
- (b) income or loss is generated by some activity outside the ordinary and usual course of the business (which income or loss was not disclosed as anticipated in the document in which the profit forecast was made) and which contributes or is likely to contribute materially to the calculation of the profits for such period,*

*the issuer shall promptly disclose the occurrence of such event and relevant details to holders of the issuer's securities. The issuer should give an indication in the announcement of the likely impact of the event or activity referred to above on the profit forecast.*

*A disclosure obligation arises under sub-paragraph (b) above as soon as the issuer becomes aware that it is likely that the contribution in the calculation of profits made or to be made by income or loss generated or to be generated as aforesaid will be material.*

12 *An issuer must consider whether or not it is appropriate or necessary to make any disclosure pursuant to this rule in circumstances where the profits or business developments of the issuer are or are likely to be out of line with any estimate or projection of the issuer or with market expectations of the issuer. If thought appropriate or necessary, an announcement should be made, on a timely basis, revising any estimate or projection and setting out reasons or explanations for the difference.*

13 *An issuer must notify the Exchange, members of the issuer and other holder of its listed securities without delay where:-*



- (i) *to the knowledge of the directors there is no major market upheaval in the industries, countries or regions where the issuer has significant operations or transactions, or significant changes in exchange rates of currencies that are key to its operations; or*
- (ii) *to the knowledge of the directors there is such a change in the issuer's financial condition or in the performance of its business or in the issuer's expectation of its performance that knowledge of the change is likely to lead to substantial movement in the price of its listed securities; or*
- (iii) *the issuer has committed significant resources to an activity which is non-core business and this has not previously been disclosed.*

14 *In circumstances where the issuer is aware that the price or trading volume of its listed securities is ~~being~~ or may be ~~being~~ influenced by speculation or rumour, the issuer is encouraged to make an announcement by way of clarification in order to avoid the establishment of an uninformed, misinformed or false market in its securities. In the event that the Exchange contacts the issuer concerning unusual movements in the price or trading volume of its securities, rule 17.11 shall apply.*

15 *Without limiting the generality of Note 13 above, comments by individuals who:—*

- (a) *are directors or representatives of an issuer or its controlling shareholder; and/or*
- (b) *hold positions in entities with authority, administrative control or influence over an individual issuer or its controlling shareholder irrespective of that entity's equity interest in the issuer or controlling shareholder; and/or*
- (c) *hold positions in entities with authority, administrative control, influence or regulatory responsibility over an industry*

*may be accorded considerable weight by the news media and investors. They may affect market activity in and the price of an issuer's securities thereby giving rise to an obligation under this rule. If these individuals make public proposed transactions or developments in relation to an issuer, which have not previously been announced or disclosed to shareholders in accordance with the GEM Listing Rules, the issuer affected will generally be required to clarify such comments*

*by way of an announcement. Furthermore, comments by individuals holding positions in entities having authority, administrative control, influence or regulatory responsibility over an industry may give rise to an obligation on issuers operating in that industry to issue a clarification announcement.*

*16 Any confidentiality undertaking entered into by an issuer shall be made subject to any obligation on the part of the issuer to disclose information pursuant to the GEM Listing Rules.*

17.29 No further shares or securities convertible into equity securities of a listed issuer (whether or not of a class already listed) may be issued or form the subject to any agreement to issue within the first 6 months of the date on which securities of the issuer first commence dealing on GEM, save in respect of :

- (1) any capitalisation issue or any consolidation, sub-division or capital reduction of shares; or
- (2) any issue of shares or securities convertible into equity securities of a listed issuer (whether or not of a class already listed) which satisfies the following requirements:
  - (a) the issue is for the purpose of an acquisition of assets which would complement the listed issuer's focused line of business referred to in rule 11.12 and described in the listed issuer's initial listing document, and the acquisition does not constitute a major transaction, very substantial acquisition or reverse takeover pursuant to rules 19.06(3), (4) and (5) respectively;
  - (b) the issue does not result in a controlling shareholder of the listed issuer ceasing to be a controlling shareholder after the issue and, in any event, must not result in a change in control of the listed issuer within the meaning of the Takeover Code;
  - (c) the issue and any transaction related to it is made subject to the approval of shareholders by way of poll with the following persons abstaining from voting: —
    - (i) any connected person and its associates; and
    - (ii) any shareholder who has an interest in the issue and/or the related transaction, other than an interest arising solely by virtue of a shareholding in the listed issuer;

(d) the circular in respect of the issue and the related transaction which is despatched to the shareholders of the listed issuer must comply with the requirements of a circular as specified in Chapter 19 and contain such information as is necessary for the independent shareholders to make an informed judgement on the issue and related transaction; and

Note: The circular must include:

- (i) an opinion from an independent financial adviser acceptable to the Exchange stating whether, in the financial adviser's opinion, the terms of the proposed issue and related transaction are fair and reasonable so far as the shareholders of the listed issuer (excluding any of the shareholders described in rule 17.29(2)(c)) are concerned;
- (ii) a statement as to whether or not the listed issuer and its directors had any plan or intention to acquire the assets concerned before or at the time of the issue of the listed issuer's initial listing document;
- (iii) the circumstances under which the opportunity to acquire the assets has arisen;
- (iv) the number of new shares or securities to be issued and the dilution effect on shareholders;
- (v) information on the assets to be acquired including their value;
- (vi) an explanation as to how the issue price for the new shares or securities was fixed;
- (vii) reasons for the acquisition and why it is important for the listed issuer to acquire the assets within six months of its listing;
- (viii) the effect of the acquisition on the listed issuer's business and prospects and on the statement of business objectives set out in the listed issuer's initial listing document;
- (ix) how the acquired assets would complement the listed issuer's business;
- (x) details of the persons who would receive the new shares or securities and their connection, if any, with any connected persons of the listed issuer; and

(xi) to the extent known to the listed issuer prior to issue of the circular, details of any undertakings given or to be given pursuant to rule 17.29(2)(e).

(e) where, after the issue, any person who subscribed for new shares or securities under the issue:

(i) would be entitled to exercise or control the exercise of 5% or more of the voting power at general meetings of the listed issuer;

(ii) would be a management shareholder; or

(iii) would be a director, be represented on the board of directors of the listed issuer or be a member of the senior management of the listed issuer.

such person must comply with the restrictions on disposal of securities set out in rule 13.17(1) (in the case of a person described in rule 17.29(2)(e)(i)), rule 13.16(1)(a) (in the case of a person described in rule 17.29(2)(e)(ii) or (iii) and holding more than 1% of the issued share capital of the listed issuer after the issue) or rule 13.16(1)(b) (in the case of a person described in rule 17.29(2)(e)(ii) or (iii) and holding no more than 1 per cent of the issued share capital of the listed issuer after the issue), except that the period(s) specified in rule 13.16(1) or rule 13.17(1) (as the case may be) shall be deemed to have commenced on the date on which securities of the listed issuer commenced trading on GEM.

*Notes: 1 In exceptional circumstances, the Exchange may be prepared to waive the requirements of this rule, for example where the listed issuer raised, at the time of its initial public offering, less than the maximum amount stated in its listing document and so as to enable the listed issuer to raise the shortfall of such maximum amount.*

2 For the avoidance of doubt, the provisions of rules 13.18 to 13.20 shall apply to a person described in rule 17.29(2)(e) as if references to "initial management shareholder" or "significant shareholder" were references to such person.

17.43 An issuer shall publish an announcement on being informed of, or on otherwise becoming aware of, any matter referred to in rule 13.19~~20~~ concerning the pledging or charging of any interests in the relevant securities of the issuer by any initial management shareholder (as defined in rule 13.15) or significant shareholder (so far as known by the issuer). In these circumstances, the information to be announced is as follows:—

- (1) the number and class of securities being pledged or charged;
- (2) the purpose for which the pledge or charge is made;
- (3) any other relevant details; and
- (4) in the event that the pledgee or chargee has disposed of or intends to dispose of any securities, details of the same, including the number of securities affected or to be affected.

*Note: 1 Pursuant to rule 17.23, where any obligation arises under rule 17.43, the requisite disclosure made pursuant to this rule should also be included in subsequent half-year, quarterly and annual reports of the issuer for so long as the circumstances giving rise to the obligation continue to exist, provided that such disclosure shall not be required after the expiry of the periods ~~of 2 years (in the case of an initial management shareholder) or 6 months (in the case of a significant shareholder)~~ referred to in rule 13.16 or rule 13.17 and 13.18 respectively (as the case may be).*

*2 The disclosure obligations set out in this rule are separate from the disclosure obligations arising from the pledging or charging of securities by the controlling shareholder of the issuer to secure debts of the issuer or to secure guarantees or other obligations of the issuer, which are dealt with in rules 17.19 and 17.23.*

17.60 An issuer shall:—

- (1) as soon as practicable following a request to HKSCC, and at the expense of the issuer, send to any non registered holder (by means permitted by the GEM Listing Rules) copies of any corporate communications; and
- (2) forward to each participant, other than a broker participant, regardless of whether the participant is a member of the issuer, one copy of each of the corporate communications of the issuer that relate to the relevant Eligible Security, at the same time as they are despatched to the holders of those securities with registered addresses in Hong Kong. Whenever practicable, an issuer should provide a participant with such reasonable number of additional copies of these documents as the participant requests in advance and undertakes to forward to its bona fide clients who have beneficial interests in those Eligible Security.

*Notes: 1 For the purpose of this rule, the following terms have the following meanings:—*

*“broker participant” a participant admitted to participate in CCASS as a broker participant;*

*“corporate communications” documents issued by the issuer for the information or action of its holders including but not limited to:—*

*(a) the directors’ report and its annual accounts together with a copy of the auditors’ report thereon;*

*(b) the half-year and quarterly reports;*

*(c) notices of meetings;*

*(d) listing documents; and*

*(e) any circulars or other documents required by the GEM Listing Rules to be sent to holders of the issuer’s listed securities; ~~and~~*

*“non registered holder” such a person or company whose listed securities are held in CCASS, directly or through a participant, and who has notified the issuer from time to time, through HKSCC, that such person or company wishes to receive corporate communications; and*

*“participant” a person or company admitted for the time being by HKSCC as a participant of CCASS.*

*2 HKSCC will provide listed issuers with up to date lists of participants other than broker participants.*

17.83 In order that the Sponsor may perform its responsibilities:—

- (1) an issuer must ensure that the Sponsor has access, at all times, to the issuer’s authorised representatives, directors and other officers and should procure that such persons provide promptly to the Sponsor such information and assistance as the Sponsor may need or may reasonably request;
- (2) the issuer must ensure that there are adequate and efficient means of communication between itself, its authorised representatives, directors and

other officers and the Sponsor and must keep the Sponsor fully informed of all communications and dealings between it and the Exchange;

- (3) under rule 6.54, the issuer shall review, regularly with the Sponsor, the issuer's operating performance and financial condition against the issuer's statement of business objectives and against any profit forecast, estimate or projection included in the issuer's listing document or otherwise made public by or on behalf of the issuer; and
- (4) under rule 6.55, the issuer shall provide the Sponsor with drafts or proofs of all announcements, listing documents and circulars, required to be issued under the GEM Listing Rules and the annual report and accounts, half-year report and quarterly reports, in each case, as soon as practicable prior to the proposed date of publication and allowing sufficient time for the Sponsor to review and comment on the drafts or proofs.

*Note: See also rule 17.04 concerning the advice and guidance that should be sought by the directors of the issuer from the Sponsor.*

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**TABLE 1 (CHAPTER 17)**  
**EMERGENCY SHARE REGISTRATION ARRANGEMENTS FOR T + 2**  
**SETTLEMENT SYSTEM**

Event	Ex-entitlement Day (Ex-Date)	Typhoon Approach/Retreat		Registrar	Book-Close Date	Closed Period for Transfer Books or Register of Members	Announcements Required
		Time	Status of Signal	Time for Accepting Shares for Registration			
1	First	9 am – 12 noon	No. 8 Signal or higher is hoisted or remains hoisted and is not lowered at or before 12 noon	For each ex-date affected defer to the next business day (normal business hours)	Automatically postponed by number of ex-dates affected	The book-closure period may be extended in accordance with the delay to the book-close date so that the book-closure period remains the same	No announcement required unless - (i) the payment date is also deferred, in which case an announcement of the new payment date must be made by the listed issuer; or (ii) the book-closure period is extended, in both cases the listed issuer must publish a notice of such changes as soon as possible.
2	Second						
3	First						
4	Second						
5	First	3 pm – 4 pm	No. 8 Signal or higher is hoisted	No deferment on first ex-date	No change	No change	No announcement required
6	Second	3 pm – 4 pm	No. 8 Signal or higher is hoisted but lowered at or before 9 am on the next business day	Defer to 12 noon or the next business day	If the original book-close date is a business day – no change. Otherwise postponed to the next business day	The book-closure period may be extended in accordance with the delay to the book-close date so that the book-closure period remains the same	No announcement required unless: - (i) the payment date is also deferred, in which case an announcement of the new payment date must be made by the listed issuer; or (ii) the book-closure period is extended, in both cases the listed issuer must publish a notice of such changes as soon as practicable.



## Chapter 19

### EQUITY SECURITIES

#### TRANSACTIONS

19.56 A circular issued in relation to a very substantial acquisition or a listing document issued in relation to a reverse takeover must contain:—

- (1) the information required under rule 19.52 (save for the information required under rule 19.52(3)) and under rules 19.53(3) and 19.54(4);
- (2) the information required under Appendix 1, Part A, if applicable, except paragraphs 8 and 15(3) in respect of the 12 months preceding the issue of the circular/listing document, and 20(1);
- (3) a valuation report on the enlarged group's interests in land or buildings in accordance with Chapter 8;
- (4) an accountants' report on the enlarged group in accordance with Chapter 7. The accounts on which the report is based must relate to a financial period ended 6 months or less before the circular/listing document is issued;
- (5) a statement that any controlling shareholder will not vote. Where the listed issuer has no controlling shareholder, those shareholders who participate in the management of the listed issuer will not vote;
- (6) the information required under rule 19.57(2) where the transaction also involves a disposal by the listed issuer; and
- (7)
  - (a) in the case of a circular issued in relation to a very substantial acquisition, general information on the trend of the business of the group since the date to which the latest audited accounts of the issuer were made up; and a statement as to the financial and trading prospects of the group for at least the current financial year (together with any material information which may be relevant thereto); or
  - (b) in the case of a listing document issued in relation to a reverse takeover, a statement of active business pursuits (in respect of the period of 24 months immediately preceding the date of the listing document, or for listed issuers satisfying the conditions of rule 11.12(3), at least the 12 month period set out in rule 11.12(2)(b)) (see rules 14.15 to 14.18); and a statement of business objectives (in respect of the current financial year and the 2 financial years thereafter) (see rules 14.19 to 14.21).

## Chapter 20

### EQUITY SECURITIES

#### CONNECTED TRANSACTIONS

##### Preliminary

20.08 A connected transaction may also be a reverse takeover, very substantial acquisition, major transaction, discloseable transaction, or share transaction and listed issuers should also refer to Chapter 19.

20.12 A connected transaction is:

- (1) any transaction between a listed issuer and:
  - (a) a connected person; or
  - (b) a person who is not a connected person but the transaction involves:

##### *Acquisition or disposal of interest in a company*

- (i) a listed issuer acquiring or disposing of an interest in a company where a substantial shareholder or management shareholder of that company is, or is proposed to be, a controller or is (or will become as a result of the transaction) an associate of a controller; or

*Notes: (1) Where 90 per cent or more of such a company's assets consist of a single asset, the Exchange will treat the acquisition or disposal of the single asset as a connected transaction and an acquisition or disposal of an interest in that company.*

*(2) A listed issuer itself will not be considered an "associate" of a controller when the listed issuer is acquiring or disposing of an interest in a company of which it is already a substantial shareholder.*

*(3) The Exchange may aggregate the interests of any person, its associates and its relatives and their respective associates in determining whether together they are a "substantial shareholder" of any company.*

(4) *A controller whose only interest in a company is through its interest in the listed issuer will not be taken to be a “substantial shareholder” of that company.*

- (ii) a listed issuer acquiring an interest in a company (or an option to acquire such interest) of which a controller (or a controller’s associate) is, or will become, a shareholder; or

*Note: This rule only applies where the interest being acquired is either:*

(1) *of a fixed income nature; or*

(2) *shares to be acquired on less favourable terms than those granted to the controller or associate.*

*Subscription on favourable terms*

- (iii) a controller (or an associate of a controller) subscribing on specially favourable terms shares in a company in which the listed issuer is a shareholder;

*Indemnity, guarantee or financial assistance*

- (2) a listed issuer granting an indemnity or guarantee or providing financial assistance for the benefit of a connected person;

*Financing transactions*

- (3) the provision of financial assistance:

- (a) by a listed issuer to:

- (i) a connected person; or

- (ii) a company in which both the listed issuer and a connected person are shareholders; or

- (b) by a connected person to a listed issuer.

Financial assistance transactions are governed by rules 20.50 to 20.53;

*Granting of security*

- (4) the granting of security over the assets of a listed issuer to a connected person in respect of a loan made to the listed issuer;

## *Options*

- (5) the writing, acceptance, transfer, exercise or non-exercise of an option (as defined in rule 19.59) involving a listed issuer and a connected person. Options are governed by rules 20.54 to 20.58; and
- (6) the entering into of any arrangement or agreement involving the formation of a joint venture entity in any form, such as a partnership or a company by a listed issuer and a connected person (see rule 20.09(14) (f)). In this case, the size of a listed issuer's financial commitment will be calculated in the manner set out in rule 19.12(2).

20.23 The following connected transactions will normally be exempt from all the reporting, announcement and shareholders' approval requirements contained in this Chapter:

### *Transactions in the ordinary and usual course of business*

- (1) a transaction between a listed issuer and a non wholly-owned subsidiary or between its non wholly-owned subsidiaries which is on normal commercial terms and in the ordinary and usual course of business of each of the companies concerned and where no connected person(s) or associate(s) is, or are together, a substantial shareholder in any of the subsidiaries concerned; (See also rules 20.10(5) and 20.11(2)).

### *De minimis transactions*

- (2) a connected transaction on normal commercial terms where the total consideration or value is less than the higher of:
  - (a) HK\$1,000,000; or
  - (b) 0.03% of the net tangible assets of the listed issuer.

*Note: This exemption does not apply to the issue of new securities by a listed issuer to a connected person, which is governed by rule 20.23(3).*

### *Issue of new securities*

- (3) where a listed issuer issues new securities to a connected person and:
  - (a) the connected person receives a pro rata entitlement to securities in its capacity as shareholder;
  - (b) securities are issued under ~~a an employee or executive~~ share option scheme which complies with Chapter 23;

- (c) the connected person is acting as underwriter or sub-underwriter of an issue of securities by the listed issuer;

*Notes: 1 The entity whose issue of securities is being underwritten or sub-underwritten by a connected person must make full disclosure of the terms and conditions of the underwriting in the listing document and also comply with rule 10.31(2).*

*2 Excess application and the taking up of pro rata entitlements in respect of a rights issue are not connected transactions. Where securities not subscribed by allottees under provisional letters of allotment or their renouncees are to be disposed of by means of excess application forms, such securities must be available for subscription by all shareholders and allocated on a fair basis. An intention to so offer such securities must be fully disclosed prior to the rights issue.*

*3 If a listed holding company acts as underwriter or sub-underwriter of an issue of securities by its listed subsidiary, such transaction is also connected for the listed holding company if the listed subsidiary is a connected person under rule 20.10(5). In this case, the listed holding company is subject to connected transaction requirements unless exempted under rules 20.23(1) or 20.23(2). The exemption under this rule is applicable to the listed subsidiary but not the listed holding company.*

- (d) securities are issued to a connected person within 14 days after such connected person has executed an agreement to reduce its holding in that class of securities by placing securities to a third person who is not its associate;

*Notes: 1 The securities must be issued at a price not less than the placing price. The placing price may be adjusted for the expenses of the placing.*

*2 The issue to the connected person must not increase the percentage interest of such person and its associates in the relevant class of securities above that immediately before the placing.*

*3 Under rule 17.30, the listed issuer is required to make an announcement containing details of the placing and subscription of shares by the connected person.*

- (4) a transaction, falling within rule 20.12(1)(b)(i), which comprises a dealing in securities listed on the Exchange or a recognised stock exchange by a listed issuer in the ordinary and usual course of its business;

*Notes: 1 The dealing must be carried out on the Exchange or a recognised stock exchange. If the transaction is not carried out on the Exchange or a recognised stock exchange, the exemption will still apply if no consideration passes to or from a connected person.*

- 2 This exemption will not apply if the purpose is to confer a direct or indirect benefit upon a controller(s) or associate of a controller who is also a substantial shareholder in the relevant company.*

#### *Purchase of own securities*

- (5) any purchase by a listed issuer of its own securities from a connected person on the Exchange or a recognised stock exchange or under a general offer made in accordance with the Share Repurchase Code;

*Note: Where the purchase is on the Exchange or a recognised stock exchange, the exemption will not apply if the connected person knowingly sells its securities to the issuer.*

#### *Directors' service contracts*

- (6) the entering into of a service contract by a director of the listed issuer with the listed issuer;

#### *Transactions involving subsidiaries*

- (7) transactions between wholly-owned subsidiaries of the listed issuer or between wholly-owned subsidiaries of the listed issuer's non wholly-owned subsidiaries;

#### *Consumer goods or services*

- (8) the acquisition or realisation of consumer goods or services by a listed issuer from or to a connected person of the listed issuer on normal commercial terms and in the ordinary and usual course of business of the seller of the consumer goods or services; and

*Note: The consumer goods or services must be consumed by the acquiror for its own consumption and not used for further processing and/or resale by the acquiror. Examples include utilities provided by a listed issuer to a connected person, meals consumed by a connected person at a restaurant owned by the listed issuer and the acquisition of groceries*

*for its own use by a connected person from a listed issuer involved in the retailing of groceries.*

*Sharing of administrative services*

- (9) the sharing of administrative services between a listed issuer and a connected person on a cost basis. The cost of the services must be identifiable and allocated to the parties involved on a fair and equitable basis. Examples include company secretarial services, legal services and staff training services.

# Chapter 21

## EQUITY SECURITIES

### OPTIONS, WARRANTS AND SIMILAR RIGHTS

21.01 This Chapter applies both to options, warrants and similar rights to subscribe or purchase equity securities of an issuer which are issued or granted by that issuer or by any of its subsidiaries (“warrants”) and to warrants which are attached to other securities but does not apply to any options which are granted under ~~a an~~ ~~employee or executive~~ share option scheme which complies with Chapter 23. Warrants which are attached to other securities but which are non-detachable are convertible securities and are also subject to the provisions of Chapters 22 (convertible equity securities) or 34 (convertible debt securities), as appropriate.

21.02 All warrants must, prior to the issue or grant thereof, be approved by the Exchange, and in addition, where they are warrants to subscribe equity securities, by the shareholders in general meeting (unless they are issued by the directors under the authority of a general mandate granted to them by shareholders in accordance with rule 17.41(2)). In the absence of exceptional circumstances which would include, by way of example, a rescue reorganisation, the Exchange will only grant approval to the issue or grant of warrants to subscribe securities if the following requirements are complied with:—

- (1) the securities to be issued on exercise of the warrants must not, when aggregated with all other equity securities which remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20 per cent of the issued equity capital of the issuer at the time such warrants are issued. Options granted under ~~employee or executive~~ share option schemes which comply with Chapter 23 are excluded for the purpose of this limit.

The following are also excluded for the purpose of this limit:—

- (a) convertible preference shares (and any equity securities into which the same convert); and
  - (b) convertible bonds (and any equity securities into which the same convert);
- (2) such warrants must expire not less than 1 and not more than 5 years from the date of issue or grant and must not be convertible into further rights to subscribe securities which expire less than 1 year or more than 5 years after the date of issue or grant of the original warrants.



## Chapter 23

### EQUITY SECURITIES

#### SHARE OPTION SCHEMES

#### Application of Chapter 23

23.01 (1) The following provisions apply, with appropriate modifications, to ~~the following schemes involving the grant by a listed issuer or any of its subsidiaries of options over new shares or other new securities of the listed issuer or any of its subsidiaries to, or for the benefit of, specified participants of such schemes (and, for the purpose of this Chapter, "participant" includes any discretionary object of a participant which is a discretionary trust).~~ all schemes involving the grant by a listed issuer or any of its subsidiaries of options over new shares or other new securities of the listed issuer or any of its subsidiaries to, or for the benefit of, specified participants of such schemes (and, for the purpose of this Chapter, "participant" includes any discretionary object of a participant which is a discretionary trust).

17.01(1)

~~(a) all schemes involving the grant by a listed issuer of options over shares or other securities of the listed issuer or of any subsidiary of the listed issuer to, or for the benefit of, executives and/or employees; and~~

~~(b) all schemes involving the grant by any subsidiary of a listed issuer of options over shares or other securities of that or another subsidiary of the listed issuer to, or for the benefit of, executives and/or employees, even if any such subsidiary is incorporated or otherwise established and operating overseas. Any arrangement involving the grant of options to participant employees over new shares or other new securities of a listed issuer or any of its subsidiaries which, in the opinion of the Exchange, is analogous to a share option scheme as described in this rule 23.01 must comply with the requirements of this Chapter. Options and securities subject to any arrangement analogous to a share scheme as described in this rule 23.01 must be issued in accordance with the provisions of this Chapter.~~

(2) Where the shares or other securities of the listed issuer or the subsidiary concerned are also listed on ~~an another overseas stock exchange or the Main Board, in the event of a conflict or inconsistency between the requirements of this Chapter and the requirements of the listing rules of the overseas stock exchange, the more onerous requirements shall prevail and be applied.~~ the more onerous requirements shall prevail and be applied in the event of a conflict or inconsistency between the requirements of this Chapter and the requirements of the other stock exchange or the Main Board.

17.01(2)

(3) The term “grant” includes “offer”, ~~and~~ “issue” and any other term used by the scheme to describe the grant of options under it.

17.01(3)

(4) Where there are two or more listed issuers within a group, each of the listed issuers must comply with the provisions of this Chapter in respect of its schemes and the schemes of any of its subsidiaries (whether the subsidiary concerned is listed on the Exchange or not). In particular, where the provisions require the scheme or any related matters to be approved by shareholders/~~or~~ independent non-executive directors of a listed issuer whose holding company is also listed on the Exchange, such scheme or matters must simultaneously be approved by the shareholders/independent non-executive directors of such listed issuer's holding company.

17.01(4)

### **Adoption of a new scheme**

17.02(1)(a)

23.02 (1) (a) The scheme of a listed issuer or ~~any of its subsidiaries~~ must be approved by shareholders of the ~~listed issuer in general meeting company concerned~~ (and also by shareholders of any holding company which is listed on the Main Board or on GEM) in general meeting with any persons to whom or for whose benefit securities may be issued under the scheme ("participants") and their associates abstaining from voting. "Associate" for these purposes (and where used elsewhere in this Chapter) shall have the meaning ascribed to it in rule 1.01 in relation to any director, chief executive, substantial shareholder or management shareholder (in each case being an individual). A summary of the scheme addressing at least each of the matters set out in rules 23.03 and (if applicable) 23.04 must be circulated to shareholders with the notice of general meeting. The listed issuer must publish an announcement on the outcome of the shareholders' meeting for the adoption of the scheme on the business day following such meeting in accordance with the publication requirements in Chapter 16.

(b) A scheme adopted by a new applicant does not need to be approved by its shareholders after listing. However, all the terms of the scheme must be clearly set out in the prospectus. Where the scheme does not comply with the provisions of this Chapter, options granted before listing may continue to be valid after listing (subject to the Exchange granting approval for listing of the new applicant's securities to be issued upon exercise of such options) but no further options may be granted under the scheme after listing. The new applicant must also disclose in the prospectus full details of all outstanding options and their potential dilution effect on the shareholdings upon listing as well as the impact on the earnings per share arising from the exercise of such outstanding options.

17.02(1)(b)

*Notes: 1 The Exchange reserves the right to review and consider these matters on a case-by-case basis.*

*2 Where the new applicant is a subsidiary of a listed issuer, the scheme must be approved by shareholders of the listed*

issuer in general meeting. The terms of the scheme must comply with the provisions of this Chapter including, in particular, rule 23.03(9) (the basis of determination of the exercise price).

- (2) The scheme document itself does not need to be circulated to shareholders of the listed issuer. However, if the scheme document is not so circulated, it must be available for inspection at a place in Hong Kong for a period of not less than 14 days before the date of the general meeting and at the general meeting and the terms of the shareholders' resolution must approve the scheme as described in the summary circulated to the shareholders of the listed issuer, and any inconsistency between the wording of the scheme and the description in the summary must be resolved in favour of the latter. Where directors of the issuer are trustees of the scheme or have a direct or indirect interest in the trustees, the circular must disclose that interest. The circular must include the following information:

17.02(2)

- (a) the provisions described in rule 23.03;
- (b) an explanation as to how the terms of the scheme, in particular, how the provisions described in rules 23.03(6), (7) and (9), will serve the purpose of the scheme as set out in the scheme document;
- (c) information relating to any directors of the listed issuer who are trustees of the scheme or have a direct or indirect interest in the trustees; and
- (d) a statement in the form set out in paragraph 2 of Appendix 1, Part B.

- (3) Where the scheme involves options over listed securities, the listed issuer is encouraged to disclose in the circular the value of all options that can be granted under the scheme as if they had been granted at the latest practicable date prior to the approval of the scheme. Where the listed issuer considers that disclosure of the value of options is not appropriate, it must state the reason for such non-disclosure in the circular. The listed issuer should use the Black-Scholes option pricing model, the binomial model or a comparable generally accepted methodology to calculate the value of options. The information described in (1), (2) and (4) in the Note to rule 23.08 should also be disclosed. The latest practicable date should be taken as the measurement date.

- (4) All circulars and announcements required under this Chapter must contain on the front cover of the circular or at the top of the announcement (as the case may be) a prominent and legible disclaimer in the following terms:

17.02(3)

"The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this [circular/announcement], makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this [circular/announcement]."

17.02(4)

- (5) The listed issuer must provide a summary of the terms of the scheme to all participants on joining the scheme (and a copy of the scheme document to any participant who requests such a copy). The listed issuer must provide to all participants all details relating to changes in the terms of the scheme during the life of the scheme immediately upon such changes taking effect.

### Terms of the scheme

17.03

23.03 Subject to rule 23.04, the following general provisions will apply to all schemes  
scheme document must include the following provisions and/or provisions as to  
the following (as the case may be):—

- (1) the purpose of the scheme;

17.03(1)

- (2) the participants of the scheme and the basis of determining the eligibility of participants; must be in the full time employment of the listed issuer (or the subsidiary) and/or its subsidiaries when the options are granted;

17.03(2)

Note: Listed issuers are reminded to seek legal advice on the prospectus requirements of the Companies Ordinance, particularly where participation in the scheme is not restricted to executives and employees.

- (3) ~~(2)~~ the total number of securities which may be issued upon exercise of all options to be granted under the scheme, subject to the scheme must be stated, together with the percentage of the issued share capital that it represents at that time the date of approval of the scheme; The total number of securities subject to 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 from time to time (excluding (i) securities issued upon the exercise of options granted pursuant to the scheme and any other schemes; and (ii) any pro rata entitlements to further securities issued in respect of those securities mentioned in (i)) during a specified period of 10 consecutive years (the "10 year period"). The listed issuer shall determine, and inform the Exchange of, the 10 year period which is relevant for the purpose of calculating the 10% limit. The listed issuer shall keep records of all securities subject to the relevant schemes during any 10 year period to ensure that the 10% limit is not exceeded;

[17.03(3)]

*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. Options lapsed in accordance with the terms of the scheme will not be counted for the purpose of calculating the 10% limit.

The listed issuer may seek approval by its shareholders in general meeting for "refreshing" the 10 per cent limit under the scheme. However, the total number of securities which may be issued upon exercise of all options to be granted under all of the schemes of the listed issuer (or the subsidiary) under the limit as "refreshed" must not exceed 10 per cent of the relevant class of securities in issue as at the date of approval of the limit. Options previously granted under the schemes (including those outstanding, cancelled, lapsed in accordance with the scheme or exercised options) will not be counted for the purpose of calculating the limit as "refreshed". The listed issuer must send a circular to its shareholders containing the information required under rule 23.02(2)(d) and the disclaimer required under rule 23.02(4).

A listed issuer may seek separate approval by its shareholders in general meeting for granting options beyond the 10 per cent limit provided the options in excess of the limit are granted only to participants specifically identified by the listed issuer before such approval is sought. The listed issuer must send a circular to the shareholders containing a generic description of the specified participants who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified participants with an explanation as to how the terms of the options serve such purpose, the information required under rule 23.02(2)(d) and the disclaimer required under rule 23.02(4).

- 2 The limit on the number of securities which may be issued upon exercise of all outstanding options granted and yet to be exercised under the scheme and any other schemes must not exceed 30 per cent of the relevant class of securities of the listed issuer (or the subsidiary) in issue from time to time. No options may be granted under any schemes of the listed issuer (or the subsidiary) if this will result in the limit being exceeded.

Securities subject to a scheme refer to securities underlying (i) options granted, including options exercised or outstanding; and

~~(ii) options available for granting under the scheme. Options cancelled not in accordance with rule 23.03(14) will be treated as options granted under the scheme.~~

~~2 Options that have lapsed under the terms of the scheme (except pursuant to any term providing for lapse by reference to the exercise price of any such options) and options cancelled in accordance with rule 23.03(14) will not be counted as part of the total number of securities subject to the scheme for the purpose of rule 23.03(2).~~

~~3 During the 10 year period, the listed issuer may not adopt schemes which will expire beyond such period. All schemes adopted by the listed issuer during the 10 year period must end on the same date.~~

~~4 During the 10 year period the listed issuer may terminate the operation of any of its schemes in accordance with rule 23.03(16). The securities underlying options granted, including options exercised or outstanding, under the terminated schemes, and (if applicable) options that become invalid and non-exercisable as a result of the termination of the schemes, will be counted for the purpose of calculating the 10% limit in the 10 year period.~~

~~(43) the maximum entitlement of each participant under must be fixed and must not exceed 25% of the aggregate of all securities subject to the scheme;~~

17.03(4)

Note: Unless approved by shareholders in the manner set out in this Note to rule 23.03(4), the total number of securities issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12-month period must not exceed 1 per cent of the relevant class of securities of the listed issuer (or the subsidiary) in issue. Where any further grant of options to a participant would result in the securities issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1 per cent of the relevant class of securities in issue, such further grant must be separately approved by shareholders of the listed issuer in general meeting with such participant and his associates abstaining from voting. The listed issuer must send a circular to the shareholders and the circular must disclose the identity of the participant, the number and terms of the options to be granted (and options previously granted to such participant), the information required under rule

23.02(2)(d) and the disclaimer required under rule 23.02(4). The number and terms (including the exercise price) of options to be granted to such participant must be fixed before shareholders' approval and the date of board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under Note 1 to rule 23.03(9).

"Associate" for this purpose shall have the meaning ascribed to it in rule 1.01 in relation to any director, chief executive, substantial shareholder or management shareholder (being an individual).

(54) the period within which the securities must be taken up under the option, which must be not less than 3 years and not be more than 10 years from the date of grant of the option;

17.03(5)

(6) the minimum period, if any, for which an option must be held before it can be exercised;

17.03(6)

(7) the performance targets, if any, that must be achieved before the options can be exercised or, if none, a negative statement to that effect;

17.03(7)

(85) the scheme must state the amount, if any, payable on application or acceptance of the option and the period in or after within which payments or calls must or may be made or loans for such purposes must be repaid. Such period must not be more than 10 years from the date of grant of the option;

17.03(8)

(96) the scheme must state the basis of determination of the exercise price;

17.03(9)

Notes: 1 Subject to Note 2 to rule 23.03(9), the exercise price which must 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 5-five business days immediately preceding the date of grant. For the purpose of calculating the exercise price where an issuer has been listed for less than five business days, the new issue price shall be used as the closing price for any business day falling within the period before listing;

2 Note (1) to rule 23.03(9) does not apply to a share option scheme of a subsidiary of the listed issuer if the subsidiary's securities are not listed on the Exchange. However, the scheme must provide that the exercise price of options granted after the listed issuer has contemplated a separate listing of such subsidiary on the Exchange, the Main Board or an overseas

stock exchange and up to the listing date of the subsidiary must be not lower than the new issue price (if any). In particular, any options granted during the period commencing six months before the lodgement of Form 5A (or its equivalent for listing on the Main Board or the overseas stock exchange) up to the listing date of the subsidiary are subject to this requirement. The scheme must therefore provide for any necessary adjustment of the exercise price of options granted during such period to not lower than the new issue price.

~~(107) the scheme must provide for the voting, dividend, transfer and other rights, including those arising on a liquidation of the listed issuer, (or the subsidiary), attaching to the securities and, as the case may be, (if appropriate) any such rights attaching to the options themselves;~~

17.03(10)

~~(118) the life of the scheme, which must not be more than 10 years.; However, options complying with the provisions of this Chapter which are granted during the life of the scheme may, if the scheme so provides, continue to be exercisable in accordance with their terms of issue after the end of the 10-year period;~~

17.03(11)

~~(9) any grant of options must not be made after a price sensitive development has occurred or a price sensitive matter has been the subject of a decision, until such price sensitive information has been announced pursuant to the requirements of Chapter 16. In particular, during the period of one month immediately preceding the preliminary announcement of annual results or the publication of interim results, no option should be granted until such information has been announced pursuant to the requirements of Chapter 16;~~

~~(102) the scheme must provide for circumstances under which options will automatically lapse.; In particular, where a participant ceases to be an employee as mentioned in rule 23.03(1), his outstanding options must lapse on or before:—~~

17.03(12)

~~(a) the date of cessation, if the participant has been dismissed on grounds including, but not limited to, misconduct, bankruptcy, insolvency and conviction for a criminal offence;~~

~~(b) the date which is 12 months after the date of cessation, where cessation occurs by reason of death; or~~

~~(c) the date which is 3 months after the date of cessation, in the case of resignation, retirement, expiry of employment contract or termination of employment on grounds other than those set out in (a) and (b);~~

~~(11) the scheme must be administered by a committee including the independent non-executive directors of the listed issuer (and also the independent~~



~~non-executive directors of any holding company which is also listed on the Main Board or on GEM);~~

- (12~~3~~) a ~~provision~~ ~~scheme must provide~~ for adjustment of the exercise price or the number of securities subject to options already granted; and to the scheme; in the event of a capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital;

17.03(13)

~~Note: Any adjustments required under rule 23.03(13) Such adjustments must give a participant the same proportion of the equity capital as that to which that person was previously entitled, but no such adjustments ~~may~~ shall be made to the extent that a share would be issued at less than its nominal value. The issue of securities as consideration in a transaction ~~will~~ may not be regarded as a circumstance requiring adjustment. In respect of any such adjustments, other than any made on a capitalisation issue, an independent financial adviser or the listed issuer's auditors must confirm to the directors in writing that the adjustments satisfy the requirements set out in this note.~~

- ~~(13) in respect of any adjustments required by reason of rule 23.03(12), other than any made on a capitalisation issue, an independent financial adviser or the issuer's auditors must confirm to the directors in writing that the adjustments satisfy the requirements of the second sentence of that rule;~~

- (14) ~~a provision for the~~ ~~the scheme must state that any~~ cancellation of options granted but not exercised; ~~must be approved by shareholders of the company concerned (and also by shareholders of any holding company which is listed on the Main Board or on GEM) in general meeting, with participants and their associates abstaining from voting. Any vote taken at the meeting to approve such cancellation must be taken by poll;~~

17.03(14)

~~Notes: 1 The listed issuer must send to the shareholders a circular containing at least the following information:—~~

~~(a) details of each participant's entitlements, including the number of outstanding options, the number of options to be cancelled, and the exercise price of these options;~~

~~(b) the reason for cancellation of options;~~

~~(c) details of any previous cancellation of options under the relevant scheme(s); and~~

~~(d) a letter from an independent financial adviser acceptable to the Exchange stating whether or not, in its opinion, the cancellation arrangement is fair and reasonable and in the~~

~~best interests of the shareholders as a whole. The independent financial adviser and the independent directors must give a recommendation to the shareholders in the circular as to how to vote.~~

~~2—Cancelled options may be re-issued after the shareholders have approved the cancellation. The grant of any re-issued options must also comply with the terms of the relevant scheme.~~

Note: Where a listed issuer cancels options and issues new ones to the same option holder, the issue of such new options may only be made under a scheme with available unissued options (excluding the cancelled options) within the limit approved by shareholders as mentioned in Note 1 to rule 23.03(3).

(15) unless the securities subject to the scheme are identical with other securities, a provision that they must be separately designated;

17.03(15)

(16) where there is a provision for termination of the operation of the scheme may provide for termination of its operation before the end of its life, a provision for the treatment of options granted under the scheme but not yet exercised at the time of termination; of the scheme.

17.03(16)

Note: Details of the options granted, including options exercised or outstanding, under the scheme and (if applicable) options that become void or non-exercisable as a result of the termination must be disclosed in the circular to shareholders seeking approval of the first new scheme to be established after such termination.

~~Upon termination, no further options may be granted under the scheme. In addition, the scheme must contain provisions on the treatment of options granted but not yet exercised at the time of termination. Details of the options granted, including options exercised or outstanding, under the scheme, and (if applicable) options that become invalid and non-exercisable as a result of the termination, must be disclosed in the circular to shareholders seeking approval of the first new scheme established thereafter and~~

(17) the scheme must provide that the provisions relating to the matters contained in rule 23.03 cannot be altered to the advantage of participants without the prior approval of shareholders in general meeting, with participants and their associates abstaining from voting.

~~23.04 The provisions of rule 23.03(6) will not apply to schemes of any unlisted subsidiary of the listed issuer. The following additional provisions will apply to such schemes:—~~

- ~~(1) options may also be granted to an executive and/or employee of a holding company of such subsidiary provided that such executive and/or employee performs an executive role in that subsidiary; and~~
- ~~(2) the exercise price must be determined on a fair and reasonable basis and must not be less than the latest audited net tangible assets per share of that subsidiary. If the directors of the listed issuer and their associates do not participate in the scheme of that subsidiary, the exercise price may be determined by the directors of the subsidiary at whatever price they consider appropriate.~~

17.03(17)

(17) transferability of options; and

*Note: Options granted under the scheme must be personal to the respective grantee. No options may be transferred or assigned.*

- (18) the specific terms of the scheme that can be changed by directors or scheme administrators without the approval of shareholders of the listed issuer in general meeting.

17.03(18)

*Notes: 1 The provisions relating to the matters set out in this rule 23.03 cannot be altered to the advantage of participants without the prior approval of shareholders of the listed issuer in general meeting.*

*2 Any alterations to the terms and conditions of a share option scheme of a listed issuer or any of its subsidiaries which are of a material nature or any change to the terms of options granted must be approved by the shareholders of the listed issuer, except where the alterations take effect automatically under the existing terms of the scheme.*

*3 The amended terms of the scheme or the options must still comply with the relevant requirements of this Chapter 23.*

*4 Any change to the authority of the directors or scheme administrators in relation to any alteration to the terms of the scheme must be approved by shareholders of the listed issuer in general meeting.*

**Granting options to a director, chief executive, management shareholder or substantial shareholder of a listed issuer, or any of their respective associates**

23.04 In addition to the shareholders' approval set out in Note 1 to rule 23.03(3) and the Note to rule 23.03(4), each grant of options to a director, chief executive, management shareholder or substantial shareholder of a listed issuer, or any of their respective associates, under a scheme of the listed issuer or any of its subsidiaries must comply with the requirements of this rule 23.04. Each grant of options to any of these persons must be approved by the independent non-executive directors of the listed issuer (excluding independent non-executive director who is the grantee of the options). Where any grant of options to a substantial shareholder or an independent non-executive director of the listed issuer, or any of their respective associates, would result in the securities issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1 per cent of the relevant class of securities in issue; and
- (b) (where the securities are listed on the Exchange), having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$5 million,

such further grant of options must be approved by shareholders of the listed issuer. The listed issuer must send a circular to the shareholders. All connected persons of the listed issuer must abstain from voting at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular. Any vote taken at the meeting to approve the grant of such options must be taken on a poll. The circular must contain:

- (1) details of the number and terms (including the exercise price) of the options to be granted to each participant, which must be fixed before the shareholders' meeting and the date of the board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under Note 1 to rule 23.03(9);

*Note: The description of the terms of the options must include the information required under rules 23.03(5) to 23.03(10).*

- (2) a recommendation from the independent non-executive directors of the listed issuer (excluding independent non-executive director who is the grantee of the options) to the independent shareholders as to voting; and
- (3) the information required under rules 23.02(2)(c) and (d) and the disclaimer required under rule 23.02(4).

*Notes: 1 Shareholders' approval as required under rule 23.04 is also required for any change in the terms of options granted to a*

participant who is a substantial shareholder or an independent non-executive director of the listed issuer, or any of their respective associates.

2 The requirements for the granting of options to a director or chief executive of a listed issuer set out in rule 23.04 do not apply where the participant is only a proposed director or chief executive of the listed issuer.

### **Restriction on the time of grant of options**

23.05 A grant of options may not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been announced in accordance with the requirements of Chapter 16. In particular, during the period commencing one month immediately preceding the earlier of:

17.05

(1) the date of the board meeting (as such date is first notified to the Exchange in accordance with rule 17.48) for the approval of the listed issuer's results for any year, half-year or quarter-year period; and

(2) the deadline for the issuer to publish announcement of its results for any year, half-year or quarter-year period under Rule 18.49 or 18.53,

and ending on the date of the results announcement, no option may be granted.

Note: The period during which no option may be granted will cover any period of delay in the publication of a results announcement.

### **Despatch of circular and publication of announcement**

17.06

23.06 A draft of the scheme, the circular and/or the announcement as required under this Chapter, in a reasonably advanced form, must be submitted to the Exchange for review as soon as possible. The listed issuer may not issue the circular or the announcement until the Exchange confirms that it has no further comments. The circular should be despatched to the shareholders no later than the date on which the listed issuer gives notice of the general meeting to approve the scheme or related matters as required under this Chapter.

~~23.05 Where an unlisted subsidiary of a listed issuer applies for the listing of its securities on GEM after that subsidiary has adopted a scheme under this Chapter, the subsidiary must comply with the following:—~~

~~(1) no options may be granted under the scheme during the period of 6 months before the submission of its listing application to GEM;~~

- ~~(2) — where it is intended that the scheme should remain in force after listing, it must be amended before listing to fulfil the relevant requirements for listed issuers set out in this Chapter; if it is not so amended, any outstanding options must be cancelled and the scheme must be terminated before listing; and~~
- ~~(3) — the subsidiary must disclose in its prospectus (i) information relating to all matters contained in rule 23.03; and (ii) full details of all outstanding options and their potential diluting effect on the shareholdings upon listing and the impact on the earnings per share arising from the exercise of such outstanding options.~~

~~23.06 Any alterations to the terms and conditions of a scheme of a listed issuer or its subsidiary, which are of a material nature, must be approved by the Exchange, except where the alterations take effect automatically under the existing terms of the scheme.~~

~~23.07 In relation to each scheme of a listed issuer or its subsidiary, the listed issuer must inform the Exchange immediately of:—~~

- ~~(1) — the grant of any option;~~
- ~~(2) — the cancellation and/or re-issue of any option;~~
- ~~(3) — the exercise of any option; and~~
- ~~(4) — the allotment and issue of shares or other securities pursuant to the exercise of any option;~~

~~together with the number and exercise price thereof against each relevant participant. In the case of a notification pursuant to 23.07(1) and/or (2), the listed issuer must, at the same time, provide details of the total number of securities underlying options granted, including options exercised, outstanding, and/or re-issued, under all relevant schemes since the commencement date of the relevant 10-year period.~~

### **Disclosure requirements**

23.0708 In relation to each scheme of a listed issuer or any of its subsidiaries, ~~the listed issuer must disclose in its annual report and half-year report the following information in relation to: (i) each of the directors, chief executive, management shareholders or substantial shareholders of the listed issuer, or their respective associates; (ii) each participant with options granted in excess of the individual limit; (iii) aggregate figures for employees working under employment contracts that are regarded as "continuous contracts" for the purposes of the Employment Ordinance; (iv) aggregate figures for suppliers of goods or services; and (v) all other participants as an aggregate whole:- any of its subsidiaries who has been a participant in the scheme(s) of the listed issuer or any of its subsidiaries during any part of that financial year; and (ii) other participants in aggregate:—~~

17.08

- (1) particulars of outstanding options at the beginning and at the end of the financial year/period, including number of options, date of grant, vesting period, exercise period and exercise price;
- (2) particulars of options granted during the financial year/period, including number of options, date of grant, vesting period, exercise period and exercise price and (for options over listed securities) the closing price of the securities immediately before the date on which the options were granted;
- (3) the number of options exercised during the financial year/period with the exercise price and (for options over listed securities) the weighted average closing price of the securities immediately before the date on which the options were exercised;
- (4) the number of options cancelled during the financial year/period together with the exercise price of the cancelled options; and
- (5) the number of options which lapsed in accordance with the terms of the scheme during the financial year/period.

23.08 In respect of options granted during the financial year/period over listed securities, the listed issuer is encouraged to disclose in its annual report and half-year report the value of options granted to participants set out in (i) to (v) of Rule 23.07 during the financial year/period, and the accounting policy adopted for the share options. Where the listed issuer considers that disclosure of value of options granted during the financial year/period is not appropriate, it must state the reason for such non-disclosure in its annual report or half-year report.

Note: In respect of the disclosure of the value of options in annual report or half-year report, the listed issuer should use the Black-Scholes options pricing model, the binomial model or a comparable generally accepted methodology to calculate the value of options. The listed issuer should also disclose, in the annual report or half-year report, the following information:

(1) a description of the model and significant assumptions used to estimate the value of the option, taking into account factors such as risk-free interest rate, expected life, expected volatility and expected dividend, if applicable;

(i) Where the calculation of the value is referable to a risk-free interest rate, such rate should be the rate prevailing on debt securities issued by the state, such as the Exchange Fund Notes in the case of Hong Kong based entities.

(ii) The listed issuer should set out the expected volatility used in calculating the value, with an explanation of any deviations from the historical volatility of the securities. The listed issuer may choose the period of time that it considers appropriate for calculating such historical volatility. However, such period may not be less than one year or, where securities have been listed for less than one year from the date of commencement of dealings in such securities, such period is to be from the date of commencement of such dealings to the date of the calculation.

(iii) Expected dividends should be based on historical dividends, with an explanation of any adjustments made for publicly available information indicating that future performance is reasonably expected to differ from past performance.

(2) the measurement date which should be the date on which the options were granted;

(3) the treatment of forfeiture prior to the expiry date; and

(4) a warning statement with regard to the subjectivity and uncertainty of the values of options to the effect that such values are subject to a number of assumptions and with regard to the limitation of the model.

23.09 The listed issuer must include in its annual report a summary of each share option scheme approved by its shareholders setting out:

(1) the purpose of the scheme;

(2) the participants of the scheme;

(3) the total number of securities available for issue under the scheme together with the percentage of the issued share capital that it represents as at the date of the annual report;



- (4) the maximum entitlement of each participant under the scheme;
- (5) the period within which the securities must be taken up under an option;
- (6) the minimum period, if any, for which an option must be held before it can be exercised;
- (7) the amount, if any, payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid;
- (8) the basis of determining the exercise price; and
- (9) the remaining life of the scheme.

### **Transitional arrangements**

23.10 The following transitional provisions apply to existing share option schemes of a listed issuer or a new applicant, which were approved by shareholders of the listed issuer or the new applicant and adopted before 1 October 2001:

17.10

- (1) if the listed issuer or the new applicant wishes to continue to grant options under its existing schemes on or after 1 October 2001 (or in the case of the new applicant, after listing), it must comply with the requirements of this Chapter 23. The disclosure requirements in the annual report and half-year report under rules 23.07, 23.08 and 23.09 of this Chapter 23 will apply to the financial year/period ending on or after 1 October 2001; and
- (2) if the listed issuer or the new applicant wishes to change the terms of any of its existing schemes or implement a new scheme in accordance with the requirements of this Chapter 23 on or after 1 October 2001, it must first ensure that all its existing schemes comply with the requirements of this Chapter 23. The listed issuer or new applicant cannot grant any further options under its existing schemes which do not comply with the requirements of this Chapter 23.

*Note: The Exchange may allow a listed issuer to grant options under the terms of its existing share option schemes on or after 1 October 2001 if the listed issuer is able to demonstrate to the satisfaction of the Exchange that such options are granted to a participant pursuant to a contractual commitment given by the listed issuer to such participant before 27 July 2001.*

~~23.09 The listed issuer must provide a copy of the scheme document to all participants on joining the scheme. The listed issuer must provide to all~~

~~participants all details relating to changes of the terms of the scheme during the life of the scheme upon such changes taking place.~~

23.11 Listed issuers must comply with the terms of their share option schemes in addition to the requirements of this Chapter 23. A breach of any such terms or requirements will constitute a breach of the GEM Listing Rules.

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## Chapter 25

### EQUITY SECURITIES

#### ISSUERS INCORPORATED IN THE PEOPLE'S REPUBLIC OF CHINA

##### Definitions

##### 25.04 In this Chapter

(1) the term “associate” means:—

- (a) in relation to any promoter, director, supervisor, chief executive, substantial shareholder or management shareholder (being an individual) of a PRC issuer means:—
  - (i) his spouse and any child or step-child under the age of 18 years of the promoter, director, supervisor, chief executive, substantial shareholder or management shareholder or of his spouse (“family interests”);
  - (ii) the trustees, acting in their capacity as such trustees, of any trust of which he or any of his family interests is a beneficiary or, in the case of a discretionary trust, is a discretionary object;
  - (iii) any company (including an equity joint venture established under PRC law) in the equity capital of which he and/or his family interests taken together are directly or indirectly interested so as to exercise or control the exercise of 30%. (or such lower amount as may from time to time be specified in applicable PRC law as being the level for triggering a mandatory general offer or for otherwise establishing legal or management control over a business enterprise) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other company which is its subsidiary or holding company or a fellow subsidiary of any such holding company; and
  - (iv) any company with which or individual with whom he and/or his family interests taken together are directly or indirectly interested in a cooperative or contractual joint venture (whether or not constituting a separate legal person) under PRC law where he and/or his family interests taken together directly or indirectly have 30%. (or such lower amount as applies under (a)(iii) above) or more interest either in the capital and/or assets contributions

to such joint venture or in the contractual share of profits or other income from such joint venture; and

- (b) in relation to any promoter, substantial shareholder or management shareholder (being a company) of a PRC issuer means:—
  - (i) any other company which is its subsidiary or holding company or is a fellow subsidiary of any such holding company or one in the equity capital of which it and/or such other company or companies taken together are directly or indirectly interested so as to exercise or control the exercise of 30%. (or such lower amount as applies under (a)(iii) above) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors; and
  - (ii) any company with which or individual with whom it and/or such other companies referred to in (b)(i) above taken together are directly or indirectly interested in a cooperative or contractual joint venture (whether or not constituting a separate legal person) under PRC law where it and/or such other companies directly or indirectly have 30%. (or such lower amount as applies under (a)(iii) above) or more interest either in the capital and/or assets contributions to such joint venture or in the contractual share of profits or other income from such joint venture,

*Notes: 1 ÷ This definition is modified in the case of connected transactions falling within rule 20.10.*

*2 Under rule 25.14, the Exchange may from time to time determine that certain persons or entities should be treated as connected persons of a PRC issuer for purposes of the connected transaction provisions of Chapter 20.*

(2) the term “PRC Governmental Body” means:—

- (a) PRC Central Government, including the State Council of the PRC (中國國務院), State Ministries and Commissions (國家部委), Bureaus and Administrations directly under the State Council (國務院直屬機構), State Council Offices and Institutions (國務院辦事機構及直屬國務院事業單位), Bureaus supervised by State Ministries and Commissions (國家部委代管局);

- (b) PRC Provincial-level Governments, including Provincial Governments (省政府), Municipalities directly under the Central Government (直轄市) and Autonomous Regions (自治區), together with their respective administrative arms, agencies and institutions; or
- (c) PRC Local Governments immediately under the PRC Provincial-level Governments, including prefectures (區), municipalities (市) and counties (縣), together with their respective administrative arms, agencies and institutions that is not engaging in commercial business or operating another commercial entity.

*Note: For clarity, entities under the PRC Government that are engaging in commercial business or operating another commercial entity will be excluded from this definition.*

25.08 In the case of a PRC issuer, the requirements of rule 11.23 are replaced in their entirety by the following provisions and the provisions of rule 25.09:

- (1) There must be an open market in the securities for which listing is sought. This shall normally mean that:—
  - (a) at least the “minimum prescribed percentage” of any class of listed securities must at all times be held by the public. The minimum prescribed percentage of securities which must be in the hands of the public is set out in (2) below; and
  - (b) in the case of a class of securities new to listing, as at the time of listing, there must be an adequate spread of holders of such securities. The number will depend on the size and nature of the issue but, as a guideline, the securities in the hands of the public should, as at the time of listing, be held among at least 100 persons (including those whose securities are held through CCASS).
- (2) The “minimum prescribed percentage” of any class of listed securities which the PRC issuer must at all times be in the hands of the public is determined as follows:
  - (a) if at any time there are existing issued securities of the PRC issuer other than H shares, then:—
    - (i) 100% of H shares must be held by the public, except as otherwise permitted by the Exchange in its discretion;

- (ii) H shares held by the public must normally constitute not less than 10% of the total existing issued share capital of the PRC issuer; and
- (iii) the aggregate amount of H shares and such other securities which are held by the public must constitute not less than the minimum prescribed percentage of the total issued share capital of the issuer; or
- (b) if there are no existing issued securities of the PRC issuer other than H shares, then H shares held by the public must constitute not less than the minimum prescribed percentage of the total existing issued share capital of the PRC issuer.

Notes: 1 For the purposes of the GEM Listing Rules, the “minimum prescribed percentage” for any class of equity securities of a PRC issuer shall be established by reference to the expected market capitalisation of the PRC issuer at the time of listing in accordance with the following table:—

<b>Market capitalisation of the total existing issued share capital (determined as at the time of listing)</b>	<b>Minimum prescribed percentage of securities to be in public hands</b>
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Not exceeding HK\$ <del>14</del> ,000m	<del>20</del> 5 per cent.
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Over HK\$ <del>14</del> ,000m <del>but not exceeding HK\$1,333m</del>	The higher of: i) the percentage that would result in the market value of the securities to be in public hands equal to HK\$ <del>21</del> ,000m (determined as at the time of listing); <u>and ii) 20 per cent.</u>
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<del>Over HK\$1,333m</del>	<del>15 per cent</del>
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2 PRC issuers which commenced dealings of their securities on GEM before 1 October 2001 should at all times comply with the following “minimum prescribed percentage” requirement:-

<u>Market capitalisation of the total existing issued share capital (determined as at the time of listing)</u>	<u>Minimum prescribed percentage of securities to be in public hands</u>
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Not exceeding HK\$1,000m      20 per cent.

Over HK\$1,000m but not exceeding HK\$1,333m      The percentage that would result in the market value of the securities to be in public hands equal to HK\$200m (determined as at the time of listing)

Over HK\$1,333m      15 per cent.

*Note: For the purposes of the GEM Listing Rules, the “minimum prescribed percentage” for any class of equity securities of a PRC issuer shall be established by reference to the issued share capital held by the public immediately prior to the date on which securities of the issuer first commence trading on GEM, in accordance with the following table:-*

~~Market capitalisation of the total existing issued share capital (determined as at the time of listing)~~      ~~Minimum prescribed percentage of securities to be in public hands~~

~~Not exceeding HK\$14,000m~~      ~~250 per cent~~

~~Over HK\$14,000m but not exceeding HK\$1,333m~~      ~~The percentage that would result in the market value of the securities to be in public hands equal to HK\$200m (determined as at the time of listing) 20 per cent~~

~~Over HK\$1,333m~~      ~~15 per cent~~

Exceptionally, the Exchange may accept lower percentages under this rule where it is satisfied that the number of securities concerned and the extent of their distribution would enable the market in Hong Kong to operate properly with a lower percentage.

Notes: 1      Where a PRC issuer has existing issued securities other than H shares, rule 25.08(2)(a)(i) requires all H shares to be in public hands except as otherwise permitted by the Exchange in its discretion. In exercising such discretion, the Exchange normally will have regard to, among other considerations, the maximum percentage of the total amount of foreign shares (and, if applicable, H shares) permitted under applicable PRC law and

*the minimum percentage required under the PRC issuer's articles of association to pass a special resolution of holders of domestic shares or foreign shares (and, if applicable, H shares) at a separate meeting of such holders.*

- 2 *If at the time of listing a PRC issuer has no existing issued securities other than H shares but proposes at any time thereafter to issue any other securities ranking pari passu with its H shares and which are not being listed on GEM, then the PRC issuer must take action to ensure that it will be in compliance with the minimum public percentage requirements of rule 25.08(2)(a) upon issuance of any such securities.*
- 3 *PRC issuers should note that the minimum prescribed percentage of securities set forth in rule 25.08(2)(a)(iii) and the minimum prescribed percentage of H shares set forth in rules 25.08(2)(a)(i), 25.08(2)(a)(ii) and 25.08(2)(b) must remain in public hands at all times. If any of these percentages falls below their respective prescribed minimum, the Exchange has the right to cancel the listing or suspend trading until appropriate steps have been taken to restore the respective minimum percentage in public hands. If the Exchange is satisfied that, even though any of these percentages has fallen below the minimum, there remains an open market in the securities, the Exchange may refrain from suspension against receipt of an undertaking from the controlling shareholder(s) of the PRC issuer to take appropriate steps to ensure restoration of the respective minimum percentage to public hands within a specified period. At any time when the percentage of securities or H shares in public hands is less than the required minimum, and the Exchange has permitted trading in the H shares to continue, the Exchange will monitor closely all trading in the H shares to ensure that a false market does not develop and will suspend the H shares promptly if there is any unusual price movement.*
- 4 *The Exchange will not regard:—*
  - (a) at any time, any connected person of the PRC issuer; ~~or~~*
  - (b) at the time of listing and for the duration of the periods referred to in rule 13.16, any initial management shareholder (as defined in rule 13.15);*
  - (c) at the time of listing and for the duration of the 6-month period referred to in rule 13.178 (the “moratorium period”), any significant shareholder; or*



(d) at the time of listing, any employee of the PRC issuer or its subsidiaries or an associate of such employee (for the purposes of this Note, "associate" shall have the same meaning as set out in rule 25.04(1), save that it shall be construed as applying to the employee)

as a member of "the public" or shares held by any such person (in the case of an initial management shareholder (as defined in rule 13.15) or a significant shareholder, being shares held by ~~him~~<sup>it</sup> during the ~~moratorium~~ period referred to in rule 13.16 or rule 13.17 (as the case may be) as being "in public hands". ~~In addition, the Exchange will not recognise as a member of "the public":~~

5 The Exchange will also not recognise as a member of "the public" :-

—(a) any person whose acquisition of securities has been financed directly or indirectly by a connected person; or

(b) any person who is accustomed to take instructions from a connected person in relation to the acquisition, disposal, voting or other disposition of securities of the PRC issuer registered in that person's name or otherwise held by that person.

6 With regard to Note 4(d) above, it is the PRC issuer's responsibility to ensure that sufficient information is obtained in relation to securities held by such employee or its associate in determining whether the PRC issuer meets the requirements for minimum prescribed percentage/market capitalisation of equity securities in public hands.

25.09 Regarding securities for which listing is sought, a PRC issuer- which is a new applicant must have such securities held by the public (in accordance with rule 25.08) which have an expected market value of not less than the higher of:

- (1) HK\$30,000,000; or
- (2) the expected initial market capitalisation value of the applicable minimum prescribed percentage under rule 25.08 of the class of listed securities,

at the time of listing, or such other amount, in either case, as the Exchange may from time to time prescribe. In the case of options, warrants or similar rights to subscribe or purchase shares or other securities for which listing is sought, the

expected initial market capitalisation must, in the case of both new applicants and listed issuers, be at least HK\$6,000,000. Further issues of securities of a class already listed are not subject to these limits. In exceptional cases, a lower expected initial market capitalisation may be acceptable where the Exchange is satisfied as to marketability.

*Note: The fact that an applicant is able to satisfy the minimum market capitalisation criterion does not of itself mean that the applicant will be acceptable as suitable for listing.*

25.19 (1) References to “ordinary resolution” in rules 13.07 to 13.09 shall mean, for a PRC issuer, the special resolutions of shareholders in general meetings and of holders of domestic shares and foreign shares (and, if applicable, H shares) at separate meetings of such holders conducted in accordance with such issuer’s articles of association for approving share repurchases.

(2) For a PRC issuer, rule 13.08(7) is restated in its entirety as follows:—

“a statement as to the consequences of any purchases which shall arise under either or both of the Takeover Code and/or any similar applicable law of which the directors are aware, if any.”

(3) For a PRC issuer, the reference to “10%~~+~~ of the existing issued share capital of the PRC issuer” in rule 13.09(1) is amended to mean “10%~~+~~ of the total amount of existing issued H shares of the PRC issuer”.

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

“17.39 Except in the circumstances mentioned in rule 17.41, the directors of the PRC issuer shall obtain the approval by a special resolution of shareholders in general meeting and the approvals by special resolutions of holders of domestic shares and overseas listed foreign shares (and, if applicable, H shares) (each being otherwise entitled to vote at general meetings) at separate class meetings conducted in accordance with the PRC issuer’s articles of association, prior to:—

(1) authorising, allotting, issuing or granting:—

(a) shares;

(b) securities convertible into shares; and

(c) options, warrants or similar rights to subscribe for any shares or such convertible securities; and

- (2) any major subsidiary of the PRC issuer making any such authorisation, allotment, issue or grant so as materially to dilute the percentage equity interest of the PRC issuer and its shareholders in such subsidiary.

*Notes: 1 Importance is attached to the principle that a shareholder should be able to protect his proportion of the total equity by having the opportunity to subscribe for any new issue of equity securities. Accordingly, unless shareholders otherwise permit, all issues of equity securities by the PRC issuer must be offered to the existing shareholders (and, where appropriate, to holders of other equity securities of the PRC issuer entitled to be offered them) pro-rata to their existing holdings, and only to the extent that the securities offered are not taken up by such persons may they be allotted or issued to other persons or otherwise than pro-rata to their existing holdings. This principle may be waived by the shareholders themselves on a general basis, but only within the limits of rule 17.41.*

*2 The restriction in rule 17.39(2) does not apply if the subsidiary is itself listed on GEM because it is then, itself, bound by the pre-emptive provisions of the GEM Listing Rules. The PRC issuer should normally ensure that its equity interests in a major subsidiary are not materially diluted through any new issue by such subsidiary of equity capital or securities having an equity element without the consent of the PRC issuer's shareholders. In the case of a rights issue, if the PRC issuer does not propose to take up its rights, an arrangement may be made for rights to be offered to the PRC issuer's shareholders so that they can thus avoid a material dilution in their percentage equity interests.*

*3 For the purposes of rule 17.39(2), a "major subsidiary" has the same meaning as in rule 17.27. ~~App 7I paragraph 19(3)~~*

*4 Dilution in a subsidiary is taken to be material:*

*(a) where, following an allotment of shares, the subsidiary will cease to be consolidated in the accounts of the issuer;  
or*

*(b) where the results of the "assets ratio", "profits ratio" or "consideration ratio" (calculated in the manner set out in rule 19.07) are 15% or more.*

5 *If the subsidiary is itself a listed issuer and an allotment of shares is made in connection with a scrip dividend scheme where the issuer (or issuer's group) has elected to receive a cash alternative which results in the issuer (or issuer's group) ceasing to hold a majority interest in the subsidiary, the Exchange may be prepared to grant a waiver from treating this as a material dilution of interest. For such a waiver to be granted it will be necessary for the issuer to demonstrate that the reduction in interest is unintentional, temporary in nature, and that the issuer will, within a reasonable period of time, restore its majority holding in the subsidiary.*

17.40 Notwithstanding rule 17.41, the directors of the PRC issuer shall obtain the approval by special resolution of its shareholders in general meeting, prior to allotting any voting shares if such allotment would effectively alter the control of the PRC issuer.

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) 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
- (2) 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 An issue of securities for cash 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 20.23(3).*

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 25.08(2)."*

25.33 The statement of reserves available for distribution to shareholders required pursuant to rule 18.3~~6~~7 shall be calculated in accordance with any statutory provisions applicable in the PRC or, in the absence of such provisions, with generally accepted accounting principles.

## 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

27. Particulars of any capital of any member of the group which is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee, or an appropriate negative statement. (*Note 3*)

Provided that where options have been granted or agreed to be granted to all the members or debenture holders or to any class thereof, or to **employees participants** under a share **option** scheme, it shall be sufficient, so far as the names and addresses are concerned, to record that fact without giving the names and addresses of the grantees.

33. (1) A statement showing the sales turnover figures or gross trading income of the group during the 2 financial years immediately preceding the issue of the listing document which should contain an explanation of the method used for computation of such turnover or income and a reasonable breakdown between the more important trading activities. In the case of a group, intra-group sales should be excluded.

*Note: A new applicant satisfying the conditions under rule 11.12(3) must also disclose the turnover of the group in the last 12 months reported upon in the accountants' report included in the financial information section of its initial listing document.*

- (2) The following information in respect of directors' emoluments:—

- (a) the aggregate of the directors' fees for each of the 2 financial years immediately preceding the issue of the listing document;
- (b) the aggregate of the directors' basic salaries, housing allowances, other allowances and benefits in kind for each of the 2 financial years immediately preceding the issue of the listing document;

- (c) the aggregate of contributions to pension schemes for directors or past directors for each of the 2 financial years immediately preceding the issue of the listing document;
- (d) the aggregate of bonuses paid to or receivable by the directors which are discretionary or are based on the issuer's, the group's or any member of the group's performance (excluding amounts disclosed in (e) and (f) below) for each of the 2 financial years immediately preceding the issue of the listing document;
- (e) the aggregate of amounts paid to or receivable by the directors for each of the 2 financial years immediately preceding the issue of the listing document as an inducement to join or upon joining the issuer; ~~and~~
- (f) the aggregate of compensation paid to or receivable by the directors or past directors for each of the 2 financial years immediately preceding the issue of the listing document for the loss of office as a director of any member of the group or of any other office in connection with the management of the affairs of any member of the group distinguishing between contractual and other payments (excluding amounts disclosed in (b) to (e) above); and
- (g) particulars of any arrangement under which a director has waived or agreed to waive any emoluments for each of the 2 financial years immediately preceding the issue of the listing document.

Sub-paragraphs (b) to (f) inclusive require an analysis of the amounts which must be disclosed in the accounts of an issuer incorporated in Hong Kong under the provisions of section 161 and 161A of the Companies Ordinance. The requirements of section 161 and 161A have, for the purposes of the GEM Listing Rules, been applied to issuers incorporated or otherwise established outside Hong Kong.

Where a director is contractually entitled to bonus payments which are fixed in amount such payments are more in the nature of basic salary and accordingly should be disclosed under sub-paragraph (b) above.

Where a director is contractually entitled to bonus payments which are determined as a percentage of turnover or profits of the issuer or any of its subsidiaries, then such payments should be disclosed under sub-paragraph (d) above.

The information required pursuant to sub-paragraph (2) above must be analysed by individual director or past director and such that it is apparent as to which are the independent non-executive directors (if any) (but without any obligation to disclose any individual by name). (*Note 9*)

- (3) Additional information in respect of those 5 individuals whose emoluments (excluding amounts paid or payable by way of commissions on sales generated by the individual) were the highest in the issuer or the group for the year. Where all 5 of these individuals are directors of the issuer and the information required to be disclosed by this paragraph has been disclosed in directors' remuneration above, a statement of this fact shall be made and no additional disclosure is required. Where the details of 1 or more of the individuals whose emoluments were the highest have not been included in directors' remuneration above, the following information shall be disclosed:—
- (a) the aggregate of basic salaries, housing allowances, other allowances and benefits in kind for each of the 2 financial years immediately preceding the issue of the listing document;
  - (b) the aggregate of contributions to pension schemes for each of the 2 financial years immediately preceding the issue of the listing document;
  - (c) the aggregate of bonuses paid or receivable which are discretionary or are based on the issuer's, the group's or any member of the group's performance (excluding amounts disclosed in (d) and (e) below) for each of the 2 financial years immediately preceding the issue of the listing document;
  - (d) the aggregate of amounts paid or receivable for each of the 2 financial years immediately preceding the issue of the listing document as an inducement to join or upon joining the issuer or the group; and
  - (e) the aggregate of compensation or receivable for paid each of the 2 financial years immediately preceding the issue of the listing document for the loss of any office in connection with the management of the affairs of any member of the group distinguishing between contractual and other payments (excluding amounts disclosed in (a) to (d) above).

It is not necessary to disclose the identity of the highest paid individuals.

The purpose of these disclosures is to provide shareholders with an indication of the fixed management costs of groups and accordingly employees who are higher paid by virtue of sales commissions are to be omitted from this disclosure.

- (4) The following information in respect of pension schemes:—
- (a) the nature of the principal scheme or schemes operated by the group (i.e. whether they are defined benefit plans or defined contribution plans);



- (b) a brief outline of how contributions are calculated or benefits funded;
- (c) the employer's pension cost charge to the profit and loss account for the period;
- (d) in the case of defined contribution schemes, details of whether forfeited contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) may be used by the employer to reduce the existing level of contributions and if so, the amounts so utilised in the course of the year and available at the balance sheet date for such use; and
- (e) in the case of defined benefit plans, an outline of the results of the most recent formal actuarial valuation or later formal review of the scheme on an ongoing basis. This should include disclosure of:—
  - (i) the name and qualifications of the actuary, the actuarial method used and a brief description of the main actuarial assumptions;
  - (ii) the market value of the scheme assets at the date of their valuation or review (unless the assets are administered by an independent trustee in which case this information may be omitted);
  - (iii) the level of funding expressed in percentage terms; and
  - (iv) comments on any material surplus or deficiency (including quantification of the deficiency) indicated by (iii) above.
- (5) Except where the issuer is a banking company, a statement of the reserves available for distribution to shareholders by the issuer as at the end of the period reported on.

#### Information about the issuer's management

41. The full name, residential or business address of every director and senior manager or proposed director and senior manager. In addition, brief biographical details in respect of the directors, proposed directors, senior managers and proposed senior managers of the issuer shall be provided<sup>ed</sup>. Such details will include name, age, positions held with the issuer and other members of the issuer's group, length of service with the issuer and the group and such other information (which may include business experience) of which shareholders should be aware, pertaining to the ability or integrity of such persons. Where any of the directors or senior managers are related, having with any other director or senior manager any one of the relationships set out below, that fact should be stated. The relationships are spouse; any person cohabiting with the director or senior manager as a spouse; and

any relative meaning a child or step-child regardless of age, a parent or step-parent, a brother, sister, step-brother or a step-sister, a mother-in-law, a father-in-law, son-in-law, daughter-in law, brother-in-law or sister-in-law. Where any director or proposed director is a director or employee of a company which has an interest in the share capital of the issuer which would fall to be disclosed to the issuer under the provisions of Part II of the SDI Ordinance, that fact shall be stated. (Note 9)

It is the responsibility of the directors of the issuer to determine which individual or individuals constitute senior management. Senior management may include directors of subsidiaries and heads of divisions, departments or other operating units within the group as senior management as, in the opinion of the issuer's directors, is appropriate.

44. Details of any share option schemes to which Chapter 23 applies.
55. To the extent received or known by the issuer prior to issue of the listing document, details of any undertakings given or to be given by initial management shareholders and significant shareholders concerning restrictions on disposal of shares of the issuer (as referred to in rules 13.15 to 13.20~~4~~).

#### Notes

10. Where the new applicant fulfils the conditions specified in rule 11.12(3) and has an active business pursuits period of at least 12 months pursuant to rule 11.12(2)(b) (and, accordingly, an accountants' report covering at least 12 months), the period in respect of which information is required under this Part A of Appendix 1 shall be such period as may be deemed appropriate by the Exchange having regard to the circumstances of the case. Such period will normally not be shorter than the period covered by the accountants' report in the listing document or the period of active business pursuits.

## Appendix 1

### CONTENTS OF LISTING DOCUMENTS

#### Part B

##### Equity Securities

In the case where listing is sought for equity securities of an issuer some part of whose share capital is already listed

25. Particulars of any capital of any member of the group which is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee, or an appropriate negative statement. (*Note 2*)

Provided that where options have been granted or agreed to be granted to all the members or debenture holders or to any class thereof, or to **employees participants** under a share **option** scheme, it shall be sufficient, so far as the names and addresses are concerned, to record that fact without giving the names and addresses of the grantees.

37. Details of any share **option** schemes to which Chapter 23 applies.

## Appendix 1

### CONTENTS OF LISTING DOCUMENTS

#### Part C

##### Debt Securities

In the case where listing is sought for debt securities

35. Particulars of any capital of any member of the issuer or of any of its material subsidiaries which is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee, or an appropriate negative statement. (*Notes 4 and 5*)

Provided that where options have been granted or agreed to be granted to all the members or debenture holders or to any class thereof, or to employees participants under a share option scheme, it shall be sufficient, so far as the names and addresses are concerned, to record that fact without giving the names and addresses of the grantees.

# Appendix 5

## FORMS RELATING TO LISTING

### FORM D

#### Marketing statement (concerning a placing of equity securities)

13. Distribution of Placees (To be completed by lead broker in relation to a placing of equity securities by or on behalf of new applicant only)

**(1) Distribution of Placing Shares**

**Number of Shares (indicate range)**

**Number of  
Placees**

**% of Placing**

(i) \_\_\_\_\_ to \_\_\_\_\_  
(ii) \_\_\_\_\_ to \_\_\_\_\_  
(iii) \_\_\_\_\_ to \_\_\_\_\_  
(iv) \_\_\_\_\_ to \_\_\_\_\_  
(v) \_\_\_\_\_ to \_\_\_\_\_  
(vi) \_\_\_\_\_ to \_\_\_\_\_  
(vii) \_\_\_\_\_ to \_\_\_\_\_  
(viii) \_\_\_\_\_ to \_\_\_\_\_  
(ix) \_\_\_\_\_ to \_\_\_\_\_  
(x) \_\_\_\_\_ to \_\_\_\_\_

\_\_\_\_\_  
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\_\_\_\_\_  
\_\_\_\_\_

**(2) Concentration of Placing Shares**

**Number of  
Shares**

**% of Placing**

(i) Top Placee  
(ii) Top 5 Placees  
(iii) Top 10 Placees  
(iv) Top 25 Placees

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signed .....

Name and position held .....

Name of company .....

Date .....

#### NOTES

1. *Marketing statements will only be accepted when the required details are typed on the statement.*
2. *A marketing statement in this form must be completed by each of the distributors named in paragraph 9 and each of the other Exchange Participants (if any) named in paragraph 12 and sent directly to the Exchange by that person.*

3. *Paragraphs 5-8 of GENERAL, paragraph 9 of SUMMARY OF DISTRIBUTION and paragraphs 11 and 13 of ANALYSIS OF DISTRIBUTION need be completed by the lead broker only.*
4. *In paragraph 5, the net price should represent the effective issue price to the issuer or vendor.*
5. *Please refer to rule 10.12 of the GEM Listing Rules for guidance.*
6. *In completing paragraphs 10(6) and 12, the lead broker may exclude the distributors named by him in paragraph 9.*
7. *As soon as practicable after the hearing of the application by the Exchange but before dealings commence, a list setting out the names, addresses and identity card or passport numbers (in case of individuals) and the names, addresses and registration numbers (in the case of companies) of all placees, the names and addresses of the beneficial owners (in the case of nominee companies) and the amounts taken up by each placee must be lodged with the Exchange.*

## Appendix 5

### FORMS RELATING TO LISTING

#### FORM G

##### Restrictions on disposals of shares by an Initial Management Shareholder

This form must be completed, in duplicate, and returned to the Issuer in time for the Issuer to submit one copy to the Exchange before commencement of dealings in the Issuer's shares.

To : The Directors  
[ ], Limited (the "Issuer"); and

The GEM Listing Division  
The Stock Exchange of Hong Kong Limited (the "Exchange").

/ /

Dear Sirs,

[I]/[We], being an initial management shareholder of the Issuer (~~for the purposes of as such term is defined in rule 13.15 of~~ The Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the "GEM Listing Rules")), having an interest in or entitled to exercise or control the exercise of voting rights in respect of *[number]* shares of *[currency and nominal value]* each in the Issuer (excluding any shares subscribed or purchased pursuant to the initial public offering of the issuer) representing [ ] per cent of the issued share capital of the Issuer as at the date hereof, hereby undertake to the Issuer and the Exchange to comply with the requirements of rules 13.16 and 13.1920 of the GEM Listing Rules in respect of such shares.

Yours faithfully,

Signed:  
Name:

*Note: This form must be adapted if the initial management shareholder is interested in options, warrants or similar rights that comprise "relevant securities" as defined in rule 13.15 of the GEM Listing Rules.*

## Appendix 5

### FORMS RELATING TO LISTING

#### FORM H

##### Restrictions on disposals of shares by a Significant Shareholder

This form must be completed, in duplicate, and returned to the Issuer in time for the Issuer to submit one copy to the Exchange before commencement of dealings in the Issuer's shares.

To : The Directors  
[ ], Limited (the "Issuer"); and

The GEM Listing Division  
The Stock Exchange of Hong Kong Limited (the "Exchange").

/ /

Dear Sirs,

[I]/[We], being a significant shareholder of the Issuer (for the purposes of The Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the "GEM Listing Rules")), having an interest in or entitled to exercise or control the exercise of voting rights in respect of *[number]* shares of *[currency and nominal value]* each in the Issuer (excluding any shares subscribed or purchased pursuant to the initial public offering of the issuer) representing [ ] per cent of the issued share capital of the Issuer as at the date hereof, hereby undertake to the Issuer and the Exchange to comply with the requirements of rules 13.1~~78~~ and 13.1~~920~~ of the GEM Listing Rules in respect of such shares.

Yours faithfully,

Signed:

Name:

*Note: This form must be adapted if the significant shareholder is interested in options, warrants or similar rights that comprise "relevant securities" as defined in rule 13.15 of the GEM Listing Rules.*



## Appendix 6

### 附錄六

## DIRECTOR'S AND SUPERVISOR'S FORMS

### 董事及監事的表格

#### FORM A

#### A表格

### Director's Declaration, Undertaking and Acknowledgement

### 董事的聲明、承諾及確認

#### Notes:

- (9) *Notice in relation to the Personal Data (Privacy) Ordinance (the "Ordinance"):* —  
有關《個人資料(私隱)條例》(「《條例》」)的通告：
- (a) *It is necessary for the Exchange to collect the data required in this Form for the due and proper administration and implementation of the GEM Listing Rules.*  
為妥善執行及實施《創業板上市規則》，本交易所需要收集本表格所需的資料。
- (b) *Failure to supply such data may constitute a breach of the relevant provisions of the GEM Listing Rules.*  
未有提供該等資料可會構成違反《創業板上市規則》的有關規定。
- (c) *The data required in this Form shall be used for the purposes of assisting the Exchange to assess the suitability of the individual for application as a director of a company listed on the Exchange and to preserve the reputation and integrity of the Exchange.*  
本表格所需資料將被用作協助本交易所評估某人是否適合擔任於本交易所上市的公司的董事，以及維持本交易所的聲譽及誠信。
- (d) *The data collected in this Form may be provided or transferred by the Exchange to any party to whom the Exchange is required to do so by law, or to the following parties:* —  
本交易所可將本表格所收集的資料提供或轉交予法例規定本交易所須提供或轉交的人士或以下人士：
- (i) *any agent, contractor or third party who provides services to the Exchange in connection with the administration and implementation of the GEM Listing Rules;*  
為執行及實施《創業板上市規則》向本交易所提供服務的任何代理人、承辦商或第三者；
- (ii) *any other person under a duty of confidentiality to the Exchange.*  
對本交易所所有保密責任的任何其他人士。
- (e) *Under and in accordance with the terms of the Ordinance, any individual has the right:*  
根據《條例》的條款，任何人士有權：
- (i) *to check whether the Exchange holds data about him and request access to such data;*  
查明本交易所是否持有其個人資料，並有權取閱該等資料；
- (ii) *to require the Exchange to correct any data relating to him which is inaccurate; and*  
要求本交易所更正有關其個人的不確資料；及

- (iii) to ascertain the policies and practices of the Exchange in relation to data and to be informed of the kind of personal data held by the Exchange.

查悉本交易所有關個人資料的政策及實際運作情況以及被告知本交易所所持有關於其個人資料。

- (f) In accordance with the terms of the Ordinance, the Exchange has the right to charge a reasonable fee for complying with a data access request.

根據《條例》的條款，本交易所所有權就處理資料查詢的要求收取合理費用。

- (g) The person to whom requests under paragraph (e) are to be addressed are as follows:

根據(e)段提出要求的人士應聯絡：

Executive Director

The GEM Listing Division

~~36th Floor~~ 11th Floor, One International Finance Centre

Jardine House 1 Harbour View Street

Central

Hong Kong

香港

中環

~~36~~ 11樓 怡和大廈 港景街1號國際金融中心一期

3611樓

創業板上市科

執行總監

**Part 1**  
**第一部分**  
**DECLARATION**  
**聲 明**

15. Are you a defendant in any current criminal proceeding involving an offence which may be material to an evaluation of your character or integrity to be a director of the issuer?

閣下是否現為刑事訴訟中的被告人，而涉及的罪行，可能對評估閣下作為發行人的董事應有的品格或操守起重要作用？

If so, give full particulars.

如是，請詳細說明。

**Part 2**  
**第二部分**

**UNDERTAKING AND ACKNOWLEDGEMENT**  
**承 諾 及 確 認**

Further, I, .....

此外，本人.....

1. Undertake with the Stock Exchange of Hong Kong Limited that: —  
向香港聯合交易所有限公司承諾：—

(a) in the exercise of my powers and duties as a director of the issuer I shall: —  
在行使發行人董事的權力及職責時，本人須：—

(i) comply to the best of my ability with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited from time to time in force (the “GEM Listing Rules”);  
盡力遵守不時生效的香港聯合交易所有限公司《創業板證券上市規則》(「《創業板上市規則》」)；

(ii) use my best endeavours to procure that the issuer shall so comply; and  
盡力促使發行人遵守《創業板上市規則》；及

(iii) use my best endeavours to procure that any alternate of mine shall so comply;  
盡力促使本人的任何替任人遵守《創業板上市規則》；

(b) I shall, in the exercise of my powers and duties as a director of the issuer, comply to the best of my ability with the Companies Ordinance, the Securities Ordinance, the Securities (Disclosure of Interests) Ordinance, the Code on Takeovers and Mergers, the Code on Share Repurchases and all other securities laws and regulations from time to time in force in Hong Kong, and I shall use my best endeavours to procure that the issuer shall so comply;  
本人在行使發行人董事的權力及職責時，將盡力遵守《公司條例》、《證券條例》、《證券(披露權益)條例》、《公司收購及合併守則》、《股份購回守則》及香港所有其他不時生效的有關證券的法例及規例，本人並會盡力促使發行人遵守上述各項；

(c) I shall co-operate in any investigation conducted by the GEM Listing Division (as such term is defined in rule 1.01 of the GEM Listing Rules) and/or the GEM Listing Committee (as such term is defined in rule 1.01 of the GEM Listing Rules) of The Stock Exchange of Hong Kong Limited, including answering promptly and openly any questions addressed to me, promptly producing the originals or copies of any relevant documents and attending before any meeting or hearing at which I am requested to appear;

本人將在香港聯合交易所有限公司創業板上市科(按《創業板上市規則》第1.01條界定)及／或創業板上市委員會(按《創業板上市規則》第1.01條界定)所進行的任何調查中與交易所合作，包括及時及坦白地答覆向本人提出的任何問題，及時地提供任何有關文件的正本或副本，並出席任何被要求出席的會議或聽證會；

(d) I hereby give my irrevocable authority to the Executive Director of the GEM Listing Division, or to any person authorised by him, to disclose any of the foregoing particulars given by me to members of the GEM Listing Committee and, with the approval of the Chairman or a Deputy Chairman of The Stock Exchange of Hong Kong Limited, to such other persons, as the said Executive Director of the GEM Listing Division may from time to time think fit; and

本人茲授予創業板上市科執行總監(或獲其授權的任何人士)不可撤回的權力，讓他將本人提供的上述資料向創業板上市委員會委員披露；並在香港聯合交易所有限公司主席或一位副主席批准的情況下，向創業板上市科執行總監不時認為適當的其他人士披露；及

- (e) I will, for so long as I remain a director of the issuer and for the further period of 3 years from the date on which I cease to be a director of the issuer, inform the Stock Exchange of Hong Kong Limited, by notice in writing to the Executive Director of the GEM Listing Division, of any change to my residential address as set out in Part 1 of this Form as soon as reasonably practicable and in any event within 1 month of my so changing residence for the purpose of facilitating correspondence with the Exchange; and

在本人擔任發行人董事期間及本人不再擔任發行人董事之日起計三年內，如本人於本表格第一部分所填報的住址有任何更改，本人會在合理可行的情況下盡快而無論如何於本人更改住址後一個月內，以書面通告形式通知創業板上市科執行總監，以便與交易所進行函件往來；及

2. Acknowledge and agree that:

承認及同意：

- (a) A document or notice shall be deemed to have been served on me by The Stock Exchange of Hong Kong Limited:

由香港聯合交易所有限公司送交本人的文件或通告在以下情況被視作送達：

- (i) when it is served personally on me; or  
專人送遞予本人；或
- (ii) by sending a copy of it by post or by facsimile to me at my usual or last known residential or business address or at the address notified by me in Part 1 of this Form or at the address notified by me in accordance with paragraph 1 (e) of Part 2 of this Form; or  
以郵遞或傳真方式送交本人的慣常或最後為香港聯合交易所所知的住宅或營業地址，或由本人於本表格第一部分通知的地址，或由本人根據本表格第二部分1(e)段通知的地址；或
- (iii) if there is a letter box for the address in question, by inserting through the letter box a copy of the document or notice enclosed in a sealed envelope addressed to me;  
如有關地址設有信箱，把內附該文件或通告的密封信封(而信封上又註明是致本人的)投入信箱內；

- (b) the date of service shall be deemed to be the second business day (or, in the case of an overseas address, the tenth business day) after the date on which the copy was sent to or, as the case may be, inserted through the letter box for the address in question; and

上述文件或通告被寄往該地址或(視乎情況而定)被投入該地址的信箱內的日期後的第二個營業日(或如屬海外地址，則第十個營業日)將被視為送達日期；及

- (c) as the case may be, in proving service it shall be sufficient to show that the envelope containing the notice was addressed to me at the address in question and had stamps or postage of sufficient value thereon to ensure that the same could be sent by post; and

要證明文件已被送達，只需證明載有該通告的信封乃寄致本人收啟且被寄往有關地址及貼有足夠郵票或已付上足夠郵資以確保可用郵遞寄出；及

- (d) for the avoidance of doubt, in the event I change my residential or business address and fail to inform The Stock Exchange of Hong Kong Limited of any new address pursuant to paragraph 1 (e) of Part 2 of this Form, any document or notice served upon me at my former residential address or business address in accordance with this paragraph shall nevertheless be deemed to have been validly served upon me for all purposes.

為釋疑起見，倘若本人更改本人的住宅或營業地址而並未根據本表格第二部分1(e)段通知香港聯合交易所有限公司本人的新地址，則根據本段送往本人的前度住址或營業地址的任何文件或通告，就各方面而言仍將被視作有效送達本人論。

I hereby submit to the jurisdiction of The Stock Exchange of Hong Kong Limited in respect of all matters relevant to the GEM Listing Rules.

本人在此接受香港聯合交易所有限公司就有關《創業板上市規則》各方面的管轄。

Executed this ..... day of....., in.....  
於..... 年..... 月.....日在.....簽立。

SIGNED, SEALED AND DELIVERED )  
by the above-named in the presence of:— )  
 )  
Witness's details )  
由上述人士簽署、蓋章 )  
及交付 )  
由見證 )  
 )  
見證人資料 )

*\*affix seal*

\* 蓋章)

.....  
Signature of witness  
見證人簽署

.....  
Signature of director  
董事簽署

.....  
Name of witness (printed)  
見證人姓名

.....  
.....  
.....

.....  
Address of witness (printed)  
見證人地址

## Appendix 6

### 附錄六

## DIRECTOR'S AND SUPERVISOR'S FORMS

### 董事及監事的表格

#### FORM B

#### B表格

### Director's Declaration and Undertaking and Acknowledgement (PRC Issuer)

### 董事的聲明、承諾及確認（適用於中國發行人）

Notes:

- (9) *Notice in relation to the Personal Data (Privacy) Ordinance (the "Ordinance")*:—  
有關《個人資料(私隱)條例》(「《條例》」)的通告：
- (a) *It is necessary for the Exchange to collect the data required in this Form for the due and proper administration and implementation of the GEM Listing Rules.*  
為妥善執行及實施《創業板上市規則》，本交易所所有需要收集本表格所需的資料。
- (b) *Failure to supply such data may constitute a breach of the relevant provisions of the GEM Listing Rules.*  
未有提供該等資料可會構成違反《創業板上市規則》的有關規定。
- (c) *The data required in this Form shall be used for the purposes of assisting the Exchange to assess the suitability of the individual for application as a director of a company listed on the Exchange and to preserve the reputation and integrity of the Exchange.*  
本表格所需資料將被用作協助本交易所評估某人是否適合擔任於本交易所上市的公司的董事，以及維持本交易所的聲譽及誠信。
- (d) *The data collected in this Form may be provided or transferred by the Exchange to any party to whom the Exchange is required to do so by law, or to the following parties:—*  
本交易所可將本表格所收集的資料提供或轉交予法例規定本交易所須提供或轉交的人士或以下人士：
- (i) *any agent, contractor or third party who provides services to the Exchange in connection with the administration and implementation of the GEM Listing Rules;*  
為執行及實施《創業板上市規則》向本交易所提供服務的任何代理人、承辦商或第三者；
- (ii) *any other person under a duty of confidentiality to the Exchange.*  
對本交易所所有保密責任的任何其他人士。
- (e) *Under and in accordance with the terms of the Ordinance, any individual has the right:—*  
根據《條例》的條款，任何人士有權：
- (i) *to check whether the Exchange holds data about him and request access to such data;*  
查明本交易所是否持有其個人資料，並有權取閱該等資料；
- (ii) *to require the Exchange to correct any data relating to him which is inaccurate; and*  
要求本交易所更正有關其個人的不確資料；及
- (iii) *to ascertain the policies and practices of the Exchange in relation to data and to be informed of the kind of personal data held by the Exchange.*  
查悉本交易所有關個人資料的政策及實際運作情況以及被告知本交易所所持有關於其

個人資料。

- (f) *In accordance with the terms of the Ordinance, the Exchange has the right to charge a reasonable fee for complying with a data access request.*  
根據《條例》的條款，本交易所所有權就處理資料查詢的要求收取合理費用。
- (g) *The person to whom requests under paragraph (e) are to be addressed are as follows:—*  
根據(e)段提出要求的人士應聯絡：

Executive Director  
The GEM Listing Division  
~~36th Floor~~11th Floor, One International Finance Centre  
~~Jardine House~~1 Harbour View Street  
Central  
Hong Kong  
香港  
中環  
~~怡和大廈~~港景街1號國際金融中心一期  
36樓11樓  
創業板上市科  
執行總監

**Part 1**  
**第一部分**

**DECLARATION**  
**聲 明**

7. Have you been convicted of any offence:—  
閣下曾否：—

- (a) involving fraud, dishonesty or corruption;  
被裁定觸犯涉及欺詐、不誠實或貪污的罪行；  
.....
- (b) under the relevant Ordinances (as such term is defined in the Securities and Futures Commission Ordinance), the Bankruptcy Ordinance, the Banking Ordinance or any Ordinance relating to taxation, or any comparable legislation of other jurisdictions; or  
根據有關條例(按《證券及期貨事務監察委員會條例》界定)、《破產條例》、《銀行業條例》、或任何有關稅務的條例，或其他司法管轄區的任何類似法例而被裁定有罪；或  
.....
- (c) in respect of which you have, within the past 10 years, been sentenced as an adult to a period of imprisonment of six months or more, including suspended or commuted sentences?  
在過去十年期間，以成人身份被裁定有罪，而又被判處監禁六個月或以上，包括緩刑或減刑？  
.....

If so, give full particulars, including details of (i) each such offence, (ii) the Court by which you were convicted, (iii) the date of conviction, and (iv) the penalty imposed.  
如有，請詳細說明，包括以下各項的詳情：(i)各項罪行、(ii)裁定閣下有罪的法院名稱、(iii)

定罪日期，以及(iv)被判刑罰。

.....  
.....

*Note: Certain convictions may come within the provisions of the Rehabilitation of Offenders Ordinance or comparable legislation of other jurisdictions. In such cases, the relevant conviction need not be disclosed.*

附註：某些定罪可能在《罪犯自新條例》或其他司法地區的類似法例的條文範圍內。在該等情況下，有關定罪毋須予以披露。

**Part 2**  
**第二部分**

**UNDERTAKING AND ACKNOWLEDGEMENT**  
**承 諾 及 確 認**

Further, I, .....

此外，本人.....

1. undertake with the Stock Exchange of Hong Kong Limited that:—  
向香港聯合交易所有限公司承諾：—
- (a) in the exercise of my powers and duties as a director of the issuer I shall:—  
在行使發行人董事的權力及職責時，本人須：—

(i) comply to the best of my ability with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited from time to time in force (the “GEM Listing Rules”) and all applicable laws, rules, regulations and normative statements from time to time in force in the PRC relating to the governing, operation, conduct or regulation of public companies in the PRC or elsewhere;  
盡力遵守不時生效的香港聯合交易所有限公司《創業板證券上市規則》（「《創業板上市規則》」），及不時生效的所有關於中國或其他地方的公眾公司的管轄、運作、行為或監管事宜的適用中國法律、規則、規例及規範聲明；

(ii) comply to the best of my ability with the provisions of the issuer's articles of association (including all provisions regarding the duties of directors) and cause the issuer to act at all times in accordance with its articles of association;  
盡力遵守發行人的公司章程的規定(包括有關董事職責的一切規定)，並促使發行人在任何時候均按照其公司章程而行事；

(iii) use my best endeavours to cause the issuer to comply with the GEM Listing Rules;  
盡力促使發行人遵守《創業板上市規則》；

(iv) inform The Stock Exchange of Hong Kong Limited forthwith and in writing, at any time while I am a director of the issuer (or within 12 months of my ceasing to be a director of the issuer), of any administrative or governmental notice or proceeding alleging a breach by the issuer or any of its subsidiaries or directors of any applicable laws, rules, regulations or normative statements in force in the PRC relating to the governing, operation, conduct or regulation of public companies;  
在本人擔任發行人的董事的任何期間(或本人停止擔任發行人的董事後的十二個月內)，如有通知或指控，指稱發行人或其任何附屬公司或董事，違反有關公眾公司的管轄、運作、行為或監管事宜而不時生效的任何適用的中國法律、規則、規例或規範聲



明，立即通知並以書面通知香港聯合交易所有限公司；

- (v) comply to the best of my ability with the Companies Ordinance, the Securities Ordinance, the Securities (Disclosure of Interests) Ordinance, the Code on Takeovers and Mergers, the Code on Share Repurchases and all other relevant securities laws and regulations from time to time in force in Hong Kong, and I shall use my best endeavours to procure the issuer to so comply; and

盡力遵守《公司條例》、《證券條例》、《證券(披露權益)條例》、《公司收購及合併守則》、《股份購回守則》及香港所有其他不時生效的有關證券的法例與規例，本人並會盡力促使發行人遵守上述各項；及

- (vi) use my best endeavours to procure that any alternate of mine shall so comply.

盡力促使本人的任何替任人遵守上述各項；

- (b) I shall cooperate in any investigation conducted by the GEM Listing Division (as such term is defined in rule 1.01 of the GEM Listing Rules) and/or the GEM Listing Committee (as such term is defined of rule 1.01 of the GEM Listing Rules) of The Stock Exchange of Hong Kong Limited, including answering promptly and openly any questions addressed to me, promptly producing the originals or copies of any relevant documents and attending before any meeting or hearing at which I am requested to appear;

本人將在香港聯合交易所有限公司創業板上市科(按《創業板上市規則》第1.01條界定)及／或創業板上市委員會(按《創業板上市規則》第1.01條界定)所進行的任何調查中與本交易所合作，包括及時及坦白地答覆向本人提出的任何問題，及時地提供任何有關文件的正本或副本，並出席任何被要求出席的會議或聽證會；及

- (c) I hereby give my irrevocable authority to the Executive Director of the GEM Listing Division, or to any person authorised by him, to disclose any of the foregoing particulars given by me to members of the GEM Listing Committee and, with the approval of the Chairman or a Deputy Chairman of The Stock Exchange of Hong Kong Limited, to such other persons, as the said Executive Director of the GEM Listing Division may from time to time think fit; and 本人茲授予創業板上市科執行總監(或獲其授權的任何人士)不可撤回的權力，讓他將本人提供的上述資料向創業板上市委員會委員披露；並在香港聯合交易所有限公司主席或一位副主席批准的情況下，向創業板上市科執行總監不時認為適當的其他人士披露；及

- (d) I will, for so long as I remain a director of the issuer and for the further period of 3 years from the date on which I cease to be a director of the issuer, inform the Stock Exchange of Hong Kong Limited, by notice in writing to the Executive Director of the GEM Listing Division, of any change to my residential address as set out in Part 1 of this Form as soon as reasonably practicable and in any event within 1 month of my so changing residence for the purpose of facilitating correspondence with the Exchange; and

在本人擔任發行人董事期間及本人不再擔任發行人董事之日起計三年內，如本人於本表格第一部分所填報的住址有任何更改，本人會在合理可行的情況下盡快而無論如何於本人更改住址後一個月內，以書面通告形式通知創業板上市科執行總監，以便與交易所進行函件往來；及

## 2. acknowledge and agree that:—

承認及同意：

- (a) a document or notice shall be deemed to have been served on me by The Stock Exchange of Hong Kong Limited:—

由香港聯合交易所有限公司送交本人的文件或通告在以下情況被視作送達：

- (i) when it is served personally on me; or

專人送遞予本人；或

- (ii) by sending a copy of it by post or by facsimile to me at my usual or last known residential or business address or at the address notified by me in Part 1 of this Form or at the address notified by me in accordance with paragraph 1 (d) of Part 2 of this Form; or  
以郵遞或傳真方式送交本人的慣常或最後為香港聯合交易所所知的住宅或營業地址，或由本人於本表格第一部分通知的地址，或由本人根據本表格第二部分1(d)段通知的地址；或
- (iii) if there is a letter box for the address in question, by inserting through the letter box a copy of the document or notice enclosed in a sealed envelope addressed to me;  
如有關地址設有信箱，把內附該文件或通告的密封信封(而信封上又註明是致本人的)投入信箱內；
- (b) the date of service shall be deemed to be the second business day (or, in the case of an overseas address, the tenth business day) after the date on which the copy was sent to or, as the case may be, inserted through the letter box for the address in question; and  
上述文件或通告被寄往該地址或(視乎情況而定)被投入該地址的信箱內的日期後的第二個營業日(或如屬海外地址，則第十個營業日)將被視為送達日期；及
- (c) as the case may be, in proving service it shall be sufficient to show that the envelope containing the notice was addressed to me at the address in question and had stamps or postage of sufficient value thereon to ensure that the same could be sent by post; and  
要證明文件已被送達，只須證明載有該通告的信封乃寄致本人收啟，且被寄往有關地址及貼有足夠郵票或已付上足夠郵資以確保可用郵遞寄出；及
- (d) for the avoidance of doubt, in the event I change my residential or business address and fail to inform The Stock Exchange of Hong Kong Limited of any new address pursuant to paragraph 1 (d) of Part 2 of this Form, any document or notice served upon me at my former residential address or business address in accordance with this paragraph shall nevertheless be deemed to have been validly served upon me for all purposes.  
為釋疑起見，倘若本人更改本人的住宅或營業地址而根據本表格第二部分1(d)段通知香港聯合交易所有限公司有關的新地址，則根據本段送往本人的前度住址或營業地址的任何文件或通告，就各方面而言仍將被視作有效送達本人論。

I hereby submit to the jurisdiction of The Stock Exchange of Hong Kong Limited in respect of all matters relevant to the GEM Listing Rules.

本人在此接受香港聯合交易所有限公司就有關《創業板上市規則》各方面的管轄。

Executed this ..... day of....., in.....  
於.....年.....月.....日在.....簽立。

SIGNED, SEALED AND DELIVERED	)	
by the above-named in the presence of:—	)	
	)	*affix seal
Witness's details	)	
由上述人士簽署、蓋章	)	
及交付	)	
由見證	)	* 蓋章)
	)	
見證人資料	)	

.....  
**Signature of witness**  
見證人簽署

.....  
**Signature of director**  
董事簽署

.....  
**Name of witness (printed)**  
見證人姓名

.....

.....

.....

.....  
**Address of witness (printed)**  
見證人地址

## Appendix 6

### 附錄六

#### DIRECTOR'S AND SUPERVISOR'S FORMS

#### 董事及監事的表格

#### FORM C

#### C表格

#### Supervisor's declaration and undertaking and acknowledgement in respect of an issuer incorporated in the People's Republic of China ("PRC")

#### 監事的聲明、承諾及確認 (適用於中華人民共和國(「中國」)註冊成立的發行人)

#### Notes:

- (9) Notice in relation to the Personal Data (Privacy) Ordinance (the "Ordinance"): —  
有關《個人資料(私隱)條例》(「《條例》」)的通告：
- (a) It is necessary for The Stock Exchange of Hong Kong Limited (the "Exchange") to collect the data required in this Form for the due and proper administration and implementation of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules").  
為妥善執行及實施香港聯合交易所有限公司(「本交易所」)《創業板證券上市規則》(「《創業板上市規則》」)，本交易所需要收集本表格所需的資料。
- (b) Failure to supply such data may constitute a breach of the relevant provisions of the GEM Listing Rules.  
未有提供該等資料可會構成違反《創業板上市規則》的有關規定。
- (c) The data required in this Form shall be used for the purposes of assisting the Exchange to assess the suitability of the individual for application as a director of a company listed on the Exchange and to preserve the reputation and integrity of the Exchange.  
本表格所需資料將被用作協助本交易所評估某人是否適合擔任於本交易所上市的公司的董事，以及維持本交易所的聲譽及誠信。
- (d) The data collected in this Form may be provided or transferred by the Exchange to any party to whom the Exchange is required to do so by law, or to the following parties:—  
本交易所可將本表格所收集的資料提供或轉交予法例規定本交易所須提供或轉交的人士或以下人士：
- (i) any agent, contractor or third party who provides services to the Exchange in connection with the administration and implementation of the GEM Listing Rules;  
為執行及實施《創業板上市規則》向本交易所提供服務的任何代理人、承辦商或第三者；
- (ii) any other person under a duty of confidentiality to the Exchange.  
對本交易所所有保密責任的任何其他人士。
- (e) Under and in accordance with the terms of the Ordinance, any individual has the right:—  
根據《條例》的條款，任何人士有權：

- (i) to check whether the Exchange holds data about him and request access to such data;  
查明本交易所是否持有其個人資料，並有權取閱該等資料；
- (ii) to require the Exchange to correct any data relating to him which is inaccurate; and  
要求本交易所更正有關其個人的不確資料；及
- (iii) to ascertain the policies and practices of the Exchange in relation to data and to be informed of the kind of personal data held by the Exchange.  
查悉本交易所有關個人資料的政策及實際運作情況以及被告知本交易所所持有關於其個人資料。
- (f) In accordance with the terms of the Ordinance, the Exchange has the right to charge a reasonable fee for complying with a data access request.  
根據《條例》的條款，本交易所就處理資料查詢的要求收取合理費用。
- (g) The person to whom requests under paragraph (e) are to be addressed are as follows:—  
根據(e)段提出要求的人士應聯絡：

Executive Director  
The GEM Listing Division  
~~36th Floor~~11th Floor, One International Finance Centre  
~~Jardine House~~1 Harbour View Street  
Central  
Hong Kong  
香港  
中環  
~~怡和大廈~~港景街1號國際金融中心一期  
~~36樓~~11樓  
創業板上市科  
執行總監

## Part 1 第一部分

### DECLARATION 聲 明

2. Are you a director, supervisor or manager of any company (other than the issuer named at 1(a) above)?

閣下是否任何公司(上文1(a)所填報的發行人除外)的董事、監事或經理？

.....

If so, state the name of each such company, its place of incorporation, the nature of its business and the date of commencement of your directorship or supervisor's or manager's position in such company.

如是，請填報各公司的名稱、其成立的地點、其業務性質，以及閣下在該公司開始出任董事、監事或經理的日期。

.....

.....

**Note: (1)** You may exclude dormant companies from this disclosure.

附註：閣下不用填報暫無營業的公司。

- (2) Where a company of which you are a director, supervisor or manager has securities listed on either the Main Board (as such term is defined in rule 1.01 of the GEM Listing Rules) or the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, the name of any subsidiary company of which you are also a director or supervisor or manager need not be stated.

如閣下擔任董事、監事或經理的公司的證券在香港聯合交易所有限公司的主板(按《創業板上市規則》第1.01條界定)或創業板上市，則毋須列明閣下亦為董事、監事或經理的任何附屬公司的名稱。

**3. Have you at any time been adjudged bankrupt or insolvent?**

閣下曾否被裁定破產或無償債能力？

.....

If so, state the Court by which you were adjudged bankrupt or insolvent and, if discharged, the date and conditions on which you were granted your discharge.

如有，請填報裁定閣下破產或無償債能力的法院名稱；如破產或無償債能力的裁定已被撤銷，則請列明該裁定被撤銷的日期及條件。

.....

.....

## Appendix 7

### SPONSOR'S FORMS

#### FORM B

##### Declaration by principal supervisor

##### NOTES:

- (6) Notice relating to the Personal Data (Privacy) Ordinance (the “Ordinance”):—
- (a) *It is necessary for the Exchange to collect the data required in this form for the due and proper administration and implementation of the GEM Listing Rules.*
  - (b) *Failure to supply such data may constitute a breach of the relevant provisions of the GEM Listing Rules.*
  - (c) *The data required in this form shall be used for the purposes of assisting the Exchange to assess the suitability of the individual to act in the capacity referred to in Chapter 6 of the GEM Listing Rules and to preserve the reputation and integrity of the Exchange.*
  - (d) *The data collected in this form may be provided or transferred by the Exchange to any party to whom the Exchange is required to do so by law, or to the following parties:—*
    - (i) *any agent, contractor or third party who provides services to the Exchange in connection with the administration and implementation of the GEM Listing Rules;*
    - (ii) *any other person under a duty of confidentiality to the Exchange.*
  - (e) *Under and in accordance with the terms of the Ordinance, any individual has the right:—*
    - (i) *to check whether the Exchange holds data about him and request access to such data;*
    - (ii) *to require the Exchange to correct any data relating to him which is inaccurate; and*
    - (iii) *to ascertain the policies and practices of the Exchange in relation to data and to be informed of the kind of personal data held by the Exchange.*
  - (f) *In accordance with the terms of the Ordinance, the Exchange has the right to charge a reasonable fee for complying with a data access request.*
  - (g) *The person to whom requests under paragraph (e) are to be addressed are as follows:—*

*Executive Director*

*The GEM Listing Division*

~~36th Floor~~ *11th Floor, One International Finance Centre*

~~Jardine House~~ *1 Harbour View Street*

*Central*

*Hong Kong*

## Appendix 7

### SPONSOR'S FORMS

#### FORM C

##### Declaration by assistant supervisor

##### NOTES:

- (5) *Notice relating to the Personal Data (Privacy) Ordinance (the “Ordinance”):—*
- (a) *It is necessary for the Exchange to collect the data required in this form for the due and proper administration and implementation of the GEM Listing Rules.*
  - (b) *Failure to supply such data may constitute a breach of the relevant provisions of the GEM Listing Rules.*
  - (c) *The data required in this form shall be used for the purposes of assisting the Exchange to assess the suitability of the individual to act in the capacity referred to in Chapter 6 of the GEM Listing Rules and to preserve the reputation and integrity of the Exchange.*
  - (d) *The data collected in this form may be provided or transferred by the Exchange to any party to whom the Exchange is required to do so by law, or to the following parties:—*
    - (i) *any agent, contractor or third party who provides services to the Exchange in connection with the administration and implementation of the GEM Listing Rules;*
    - (ii) *any other person under a duty of confidentiality to the Exchange.*
  - (e) *Under and in accordance with the terms of the Ordinance, any individual has the right:—*
    - (i) *to check whether the Exchange holds data about him and request access to such data;*
    - (ii) *to require the Exchange to correct any data relating to him which is inaccurate; and*
    - (iii) *to ascertain the policies and practices of the Exchange in relation to data and to be informed of the kind of personal data held by the Exchange.*
  - (f) *In accordance with the terms of the Ordinance, the Exchange has the right to charge a reasonable fee for complying with a data access request.*
  - (g) *The person to whom requests under paragraph (e) are to be addressed are as follows:—*

*Executive Director*

*The GEM Listing Division*

~~36th Floor~~ *11th Floor, One International Finance Centre*

~~Jardine House~~ *1 Harbour View Street*

*Central*

*Hong Kong*



## Appendix 7

### SPONSOR'S FORMS

#### FORM E

##### Review Form for Principal Supervisor

#### NOTES:

- (4) *Notice in relation to the Personal Data (Privacy) Ordinance (the “Ordinance”):*—
- (a) *It is necessary for The Stock Exchange of Hong Kong Limited (the “Exchange”) to collect the data required in this form for the due and proper administration and implementation of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”).*
  - (b) *Failure to supply such data may constitute a breach of the relevant provisions of the GEM Listing Rules.*
  - (c) *The data required in this form shall be used for the purposes of assisting the Exchange to assess the suitability of the individual to act in the capacity referred to in Chapter 6 of the GEM Listing Rules and to preserve the reputation and integrity of the Exchange.*
  - (d) *The data collected in this form may be provided or transferred by the Exchange to any party to whom the Exchange is required to do so by law or to the following parties:*—
    - (i) *any agent, contractor or third party who provides services to the Exchange in connection with the administration and implementation of the GEM Listing Rules;*
    - (ii) *any other person under a duty of confidentiality to the Exchange.*
  - (e) *Under and in accordance with the terms of the Ordinance, any individual has the right:*—
    - (i) *to check whether the Exchange holds data about him and request access to such data;*
    - (ii) *to require the Exchange to correct any data relating to him which is inaccurate; and*
    - (iii) *to ascertain the policies and practices of the Exchange in relation to data and to be informed of the kind of personal data held by the Exchange.*
  - (f) *In accordance with the terms of the Ordinance, the Exchange has the right to charge a reasonable fee for complying with a data access request.*
  - (g) *The person to whom requests under paragraph (e) are to be addressed are as follows:*—

*Executive Director*

*The GEM Listing Division*

~~*36th Floor*~~ *11th Floor, One International Finance Centre*

~~*Jardine House*~~ *1 Harbour View Street*

*Central*

*Hong Kong*

## Appendix 7

### SPONSOR'S FORMS

#### FORM F

##### Review Form for Assistant Supervisor

#### NOTES:

- (4) Notice in relation to the Personal Data (Privacy) Ordinance (the “Ordinance”):—
- (a) *It is necessary for The Stock Exchange of Hong Kong Limited (the “Exchange”) to collect the data required in this form for the due and proper administration and implementation of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”).*
  - (b) *Failure to supply such data may constitute a breach of the relevant provisions of the GEM Listing Rules.*
  - (c) *The data required in this form shall be used for the purposes of assisting the Exchange to assess the suitability of the individual to act in the capacity referred to in Chapter 6 of the GEM Listing Rules and to preserve the reputation and integrity of the Exchange.*
  - (d) *The data collected in this form may be provided or transferred by the Exchange to any party to whom the Exchange is required to do so by law or to the following parties:—*
    - (i) *any agent, contractor or third party who provides services to the Exchange in connection with the administration and implementation of the GEM Listing Rules;*
    - (ii) *any other person under a duty of confidentiality to the Exchange.*
  - (e) *Under and in accordance with the terms of the Ordinance, any individual has the right:—*
    - (i) *to check whether the Exchange holds data about him and request access to such data;*
    - (ii) *to require the Exchange to correct any data relating to him which is inaccurate; and*
    - (iii) *to ascertain the policies and practices of the Exchange in relation to data and to be informed of the kind of personal data held by the Exchange.*
  - (f) *In accordance with the terms of the Ordinance, the Exchange has the right to charge a reasonable fee for complying with a data access request.*
  - (g) *The person to whom requests under paragraph (e) are to be addressed are as follows:—*

*Executive Director*

*The GEM Listing Division*

~~36th Floor~~ 11th Floor, One International Finance Centre

~~Jardine House~~ 1 Harbour View Street

*Central*

*Hong Kong*