

# Chapter 1

## GENERAL

### INTERPRETATION

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

<b>“approved share registrar”</b>	a share registrar who is a member of an association of persons approved under <del>Rule 3 of the Securities (Stock Exchange Listing) (Approved Share Registrar) Rules</del> <u>section 12 of the Securities and Futures (Stock Market Listing) Rules</u>
<b>“Commission”</b>	the Securities and Futures Commission established under section 3 of the Securities and Futures Commission Ordinance <u>and continuing in existence under section 3 of the Securities and Futures Ordinance</u>
<del>“SDI Ordinance”</del>	<del>the Securities (Disclosure of Interests) Ordinance as amended from time to time</del>
<b><u>“Securities and Futures Ordinance”</u></b>	<u>the Securities and Futures Ordinance (Cap. 571) as amended from time to time</u>
<b>“Statutory Rules”</b>	the <del>Securities (Stock Exchange Listing) Rules</del> <u>Securities and Futures (Stock Market Listing) Rules</u> as amended from time to time, <del>a copy the text</del> of which is set out in Appendix 12

## Chapter 2

### GENERAL

#### INTRODUCTION

##### Preliminary

- 2.01 The principal function of the Exchange is to provide a fair, orderly and efficient market for the trading of securities. In furtherance of this, the Exchange has made the GEM Listing Rules under ~~section 34 of the Stock Exchanges Unification Ordinance~~ section 23 of the Securities and Futures Ordinance prescribing the requirements for the listing of securities on GEM. These comprise requirements which have to be met before securities may be listed and also continuing obligations with which an issuer and, where applicable, a guarantor must comply once listing has been granted. The GEM Listing Rules have been approved by the Commission pursuant to section ~~35~~24 of that Ordinance.

##### General principles

- 2.08 The GEM Listing Rules may be amended by the Exchange from time to time, subject to the approval of the Commission under ~~section 35 of the Stock Exchanges Unification Ordinance~~ section 24 of the Securities and Futures Ordinance.

##### Characteristics of GEM

- 2.14 The Exchange expects each director of an issuer to be cognizant of the GEM Listing Rules and reasonably familiar with the obligations and duties imposed upon him and the issuer pursuant to the GEM Listing Rules, ~~the Securities Ordinance~~ the Securities and Futures Ordinance, the Companies Ordinance, ~~the Protection of Investors Ordinance~~, ~~the Stock Exchanges Unification Ordinance~~, ~~the SDI Ordinance~~, ~~the Securities (Insider Dealing) Ordinance~~, the Takeover Code and the Code on Share Repurchases.

# Chapter 5

## GENERAL

### DIRECTORS, SECRETARY AND CORPORATE GOVERNANCE MATTERS

#### Directors

- 5.02 Every director must satisfy the Exchange that he has the character, experience and integrity and is able to demonstrate a standard of competence commensurate with his position as a director of an issuer. The Exchange may request information regarding the background, experience, other business interests or character of any director or proposed director of an issuer. The Exchange expects every director of an issuer:—
- (1) to be cognizant of the GEM Listing Rules and reasonably familiar with the obligations and duties imposed upon him and the issuer pursuant to the GEM Listing Rules, ~~the Securities Ordinance~~the Securities and Futures Ordinance, the Companies Ordinance, ~~the Protection of Investors Ordinance, the Stock Exchanges Unification Ordinance, the SDI Ordinance, the Securities (Insider Dealing) Ordinance,~~the Takeover Code and the Code of Share Repurchases. The Exchange reserves a right to require directors to demonstrate their knowledge and understanding of the same; and
  - (2) to respond, in a prompt and efficient manner, to all enquiries directed at him by the Exchange.
- 5.04 Every director shall comply with rules 5.41 to ~~5.59~~5.58 of this Chapter or the issuer's own set of rules in no less exacting terms.~~The information notified to the Exchange in accordance with rule 5.59 shall be recorded and released by the Exchange in the same manner as other information notified to it in pursuance of the SDI Ordinance.~~

#### Securities transactions by directors

- 5.40 Rules 5.41 to ~~5.59~~5.58 set out the minimum standard of good practice against which issuers and their directors must measure their own conduct with respect to securities transactions by the directors (the "minimum standard of dealings"). A director must seek to secure that all transactions in which he is or is deemed to be interested are conducted in accordance with the minimum standard of dealings.
- 5.42 Directors wishing to buy or sell such securities must first have regard to the statutory provisions ~~of the SDI Ordinance~~in Part XV of the Securities and Futures Ordinance.
- 5.43 The purpose of the minimum standard of dealings is to provide guidance to directors on when those occasions arise. Rules 5.53 and 5.54, which require notification, complement a Hong Kong issuer's obligations under ~~section 29 of the SDI Ordinance~~section 352 of the Securities and Futures Ordinance to maintain a register of directors' interests and short positions in the securities of the issuer and should assist the issuer to meet its statutory duties.
- 5.52 The minimum standard of dealings will be regarded as equally applicable to any dealings by the director's spouse or by or on behalf of any infant child and any other dealings in which for the purposes of ~~the SDI Ordinance~~Part XV of the Securities and Futures Ordinance he is or is to be treated as interested. It is the duty of the director, therefore, to seek to avoid any such dealing at a time when he himself is not free to deal.

*Notification*

- 5.57 The register maintained in accordance with ~~section 29 of the SDI Ordinance~~section 352 of the Securities and Futures Ordinance should be made available for inspection at every meeting of the board.
- ~~5.59 Every director shall notify the Exchange and the issuer his interests in and dealings in warrants to subscribe for equity securities of the issuer at the same time and in the same manner as if the provisions of the SDI Ordinance relating to interests in shares were extended to include interests in rights to subscribe for shares.~~

# Chapter 6

## GENERAL

### SPONSORS

#### Eligibility criteria

6.13 A prospective Sponsor must be ~~registered, pursuant to the Securities Ordinance, as an investment adviser or a securities dealer or must have been declared by the Commission to be an exempt dealer.:~~—

- (1) licensed under section 116(1) of the Securities and Futures Ordinance for Type 6 and other appropriate types of regulated activities; or
- (2) registered under section 119(1) of the Securities and Futures Ordinance for Type 6 and other appropriate types of regulated activities; or
- (3) registered as a securities dealer under the repealed Securities Ordinance, and deemed to be licensed under section 116(1) of the Securities and Futures Ordinance; or
- (4) registered as an investment adviser under the repealed Securities Ordinance, and deemed to be licensed under section 116(1) of the Securities and Futures Ordinance; or
- (5) declared by the Commission to be an exempt dealer under the repealed Securities Ordinance, and deemed to be licensed under section 116(1) or registered under section 119(1) of the Securities and Futures Ordinance; or
- (6) a licensed bank which is deemed to be registered under section 119(1) of the Securities and Futures Ordinance.

6.16 A prospective Sponsor must have a minimum of 2 executive directors engaged in a full time capacity in the prospective Sponsor's corporate finance business in Hong Kong. Each of those executive directors must be ~~registered, pursuant to the Securities Ordinance, as an investment adviser or a securities dealer either:~~

- (1) a licensed representative under section 120(1) of the Securities and Futures Ordinance and approved by the Commission as a responsible officer under section 126(1) of the same Ordinance for Type 6 and other appropriate types of regulated activities; or
- (2) a registered securities dealer or a registered investment adviser under the repealed Securities Ordinance, and deemed to be licensed under section 120(1) of the Securities and Futures Ordinance and approved under section 126(1) of the Securities and Futures Ordinance as a responsible officer;

(save in circumstances where the Sponsor is ~~an exempt dealer~~declared by the Commission to be an exempt dealer under the repealed Securities Ordinance, and deemed to be licensed under section 116(1) or registered under section 119(1) of the Securities and Futures Ordinance for the purposes of rule 6.13). The prospective Sponsor must demonstrate that each of those executive directors has the requisite experience and expertise to advise new applicants and listed issuers. (For the purposes of the GEM Listing Rules, such individuals are referred to as "principal supervisors").

6.17 In addition to the principal supervisors, a prospective Sponsor must have a minimum of 2 other members of staff, engaged in a full time capacity in the prospective Sponsor's corporate finance business in Hong Kong. Each of those staff members must be ~~registered, pursuant to the Securities Ordinance, as an investment adviser or an investment representative or a securities dealer or a securities dealer's representative~~ either:—

(1) a licensed representative under section 120(1) of the Securities and Futures Ordinance for Type 6 and other appropriate types of regulated activities; or

(2) a registered securities dealer or registered investment adviser or registered securities dealer's representative or investment representative under the repealed Securities Ordinance, and deemed to be licensed under section 120(1) of the Securities and Futures Ordinance;

(save in circumstances where the Sponsor is ~~an exempt dealer~~ declared by the Commission to be an exempt dealer under the repealed Securities Ordinance, and deemed to be licensed under section 116(1) or registered under section 119(1) of the Securities and Futures Ordinance for the purposes of rule 6.13). The prospective Sponsor must demonstrate that each of those staff members has the requisite experience and expertise to advise new applicants and listed issuers. (For the purposes of the GEM Listing Rules, such individuals are referred to as "assistant supervisors").

*Responsibilities concerning each new applicant for which the Sponsor acts*

6.47 The Sponsor, together with the new applicant, must complete the application for listing in the form set out in Appendix 5A. In addition, the Sponsor must, prior to issue of the listing document, submit to the Exchange the Sponsor's declaration in the form set out in Appendix 7G confirming that:—

*Note: For the purposes of this rule and rule 6.52, "applicable laws and provisions relating to securities" include the ~~Securities Ordinance~~ Securities and Futures Ordinance, the Companies Ordinance, ~~the Protection of Investors Ordinance~~, ~~the Stock Exchanges Unification Ordinance~~, ~~the SDI Ordinance~~, ~~the Securities (Insider Dealing) Ordinance~~, the Takeover Code and the Code on Share Repurchases.*

### **Sanctions against the Sponsor**

6.67 If the Exchange considers that a Sponsor has breached or failed to discharge any of its responsibilities or obligations under the GEM Listing Rules, it may do one or more of the following:

(7) request that the Commission considers withdrawing or revoking the Sponsor's registration under ~~the Securities Ordinance~~ Part V of the Securities and Futures Ordinance;

# Chapter 14

## EQUITY SECURITIES

### LISTING DOCUMENTS

*Preliminary*

14.02A The Exchange shall be authorised by new applicants and listed issuers to file their “applications” (as defined in section 2 of the Securities and Futures (Stock Market Listing) Rules) and those corporate disclosure materials within the meaning of sections 7(1) and (2) of the Securities and Futures (Stock Market Listing) Rules received by the Exchange with the Commission pursuant to sections 5(2) and 7(3) of the Securities and Futures (Stock Market Listing) Rules respectively and new applicants and listed issuers shall be deemed to have agreed to the above by filing such applications and corporate disclosure materials with the Exchange. The authorisation aforementioned shall not be altered or revoked in any way unless prior written approval has been obtained from the Exchange and the Exchange shall have the absolute discretion to grant such approval. In addition, the Exchange may require and new applicants and listed issuers shall execute such documents in favour of the Exchange perfecting the above authorisation as the Exchange may require. Applications and relevant corporate disclosure materials shall be filed with the Exchange in such manner and number of copies as the Exchange may from time to time prescribe.

# Chapter 15

## EQUITY SECURITIES

### PROSPECTUSES

#### Transfer of functions

15.03 The Commission's functions under section 38B(2A)(b), 38D(3) and (5) and 342C(3) and (5) of the Companies Ordinance (Cap.32), to the extent that they relate to any prospectus which is concerned with any shares or debentures of a company that have been or are proposed to be approved for listing on GEM, and the power to charge and retain the fees which would have been payable to the Commission in respect of any such prospectus under the Commission's fees rules, have been transferred to the Exchange by order of the GovernorChief Executive in Council pursuant to ~~section 47 of the Securities and Futures Commission Ordinance (Cap. 24)~~section 25 of the Securities and Futures Ordinance (the "Transfer Order").

# Chapter 17

## EQUITY SECURITIES

### CONTINUING OBLIGATIONS

#### Announcements, circulars and other documents

##### *Review of documents*

17.53A The Exchange shall be authorised by the issuer to file “applications” (as defined in section 2 of the Securities and Futures (Stock Market Listing) Rules) and those corporate disclosure materials within the meaning of sections 7(1) and (2) of the Securities and Futures (Stock Market Listing) Rules received by the Exchange with the Commission pursuant to sections 5(2) and 7(3) of the Securities and Futures (Stock Market Listing) Rules respectively and issuers shall be deemed to have agreed to the above by filing such applications and such corporate disclosure materials with the Exchange. The authorisation aforementioned shall not be altered or revoked in any way unless prior written approval has been obtained from the Exchange and the Exchange shall have the absolute discretion to grant such approval. In addition, the issuer undertakes to execute such documents in favour of the Exchange perfecting the above authorisation as the Exchange may require. Applications and relevant corporate disclosure materials shall be filed with the Exchange in such manner and number of copies as the Exchange may from time to time prescribe.

#### Miscellaneous obligations

##### *Takeovers and share repurchases*

17.89 An issuer must comply with the Takeover Code and the Code on Share Repurchases.

Notes: 1 *Where the consideration under an offer includes securities for which listing is being or is to be sought, the offer document(s) will constitute a listing document. Whether the consideration under an offer comprises cash or securities (or a combination of both), drafts of all documents to be issued in connection with takeovers, mergers or offers must be submitted to the Exchange for review in accordance with rule 17.53.*

2 ~~*If the substance of a proposed transaction is a takeover, merger or a share repurchase related matter the Exchange will normally pass its comments on any documents submitted to it to the Takeovers and Mergers Executive who will relay such comments to the listed issuer or its advisers. If the substance of a proposed transaction is a listing related matter, but the transaction also has takeover, merger or share repurchase related aspects, the Takeovers and Mergers Executive will normally pass its comments on any documents submitted to it to the Exchange, who will relay such comments to the listed issuer or its advisers. In either case, whenever a proposed transaction, or any aspect thereof is governed by, or subject to the Takeover Code or the Code on Share Repurchases, any announcement, advertisement or document to be issued in relation to the transaction should be filed with the Takeovers and Mergers Executive and the Exchange simultaneously to facilitate the processing of the documents in a timely manner and in a manner that is consistent with the above clearance procedures. The Exchange will pass its comments on any draft document submitted to it for approval that relates to a matter covered by the Takeover Code and Code on Share Repurchases directly to the party that submits the draft document (or its advisers). The Exchange will at the same time provide a copy of such comments to the Commission.*~~

# Chapter 18

## EQUITY SECURITIES

### FINANCIAL INFORMATION

#### Annual reports

*Information to accompany directors' report and annual accounts*

18.15 (1) Subject to rule 18.165(2), a statement as at the end of the relevant financial year showing: ~~(1)~~ the interests and short positions of each director and chief executive of the listed issuer in the ~~equity or debt securities~~ shares, underlying shares and debentures of the listed issuer or any associated corporation (within the meaning of ~~SDI Ordinance~~ Part XV of the Securities and Futures Ordinance):

- (a) as recorded in the register required to be kept under section 352 of the Securities and Futures Ordinance; or
- (b) as otherwise notified to the listed issuer and the Exchange pursuant to the minimum standards of dealing by directors of listed issuers as referred to in rule 5.40; or
- (c) if there is no such interests or short positions, a statement of that fact.

provided that the Exchange may agree, in its sole discretion, that compliance with this sub-paragraph may be modified or waived in respect of any associated corporation if, in the opinion of the Exchange, the number of associated corporations in respect of which each director and chief executive is taken or deemed to have an interest under ~~the SDI Ordinance~~ Part XV of the Securities and Futures Ordinance is such that compliance with this sub-paragraph would result in particulars being given which are not material in the context of the group and are of excessive length.

~~(2) the details of any right to subscribe for equity or debt securities of the listed issuer granted to any director or chief executive of the listed issuer or to the spouse or children under 18 years of age of any such director or chief executive, and of the exercise of any such right;~~

~~as recorded in the register required to be kept under section 29 of the SDI Ordinance or as otherwise notified to the listed issuer and the Exchange pursuant to the minimum standards of dealing by directors of listed issuers as referred to in rule 5.40, or if there is no such interest or right that has been granted or exercised, a statement of that fact.~~

(2) The information required to be included by virtue of rule 18.15(1) must specify the company in which interests or short positions are held, the class to which those securities belong and the number of such securities held, but need not disclose:

- (a) the interests of a director or a chief executive officer in the shares of the listed issuer or any of its subsidiaries if such interest is held solely in a non-beneficial capacity and is for the purpose of holding the requisite qualifying shares; or
- (b) the non-beneficial interests of directors or chief executive officers in the shares of any subsidiary of the listed issuer in so far as that interest comprises the holding of shares subject to the terms of a written, valid and legally enforceable declaration of trust in favour of the parent company of that subsidiary or the listed issuer and such interest is held solely for the purpose of ensuring that the relevant subsidiary has more than one member.

*Note: Where interests in securities arising from the holding of such securities as qualifying shares are not disclosed pursuant to the exception provided in this paragraph, a general statement should nevertheless be made to indicate that the directors hold qualifying shares.*

18.16 The statement required by rule 18.15:—

(1) must set out the total number or amount of such securities in which each director any chief executive is interested, as recorded in the issuer's register of interests, and then separately distinguish such interests between four categories as follows:—

(a) Personal interests — namely those beneficial interests in securities which are registered in the name of the director or chief executive or a nominee who holds the securities on his behalf and to his order (e.g. a streetname), including interests in securities which he has contracted to purchase;

(b) Family interests — namely those interests in securities which a director or chief executive is deemed or taken to have under the SDI Ordinance with respect to securities in which his spouse or his child under the age of 18 years are interested;

(c) Corporate interests — namely those interests in securities which a director or chief executive is deemed or taken to have under the SDI Ordinance with respect to the interests of a corporation where he is either entitled to exercise (or is taken under the SDI Ordinance to be able to exercise) or control the exercise of one third or more of the voting power in general meetings of that corporation or where the corporation or its directors are accustomed to act in accordance with his directions or instructions; and

(d) Other interests — namely those interests in securities recorded in the register of interests which do not fall within one of the above categories. This would include, by way of example, those interests which a director or chief executive is deemed or taken to have under the SDI Ordinance with respect to options which entitle a director or chief executive to call for the delivery of securities or to acquire an interest in securities and any interests in securities which arise as a result of the director or chief executive being a beneficiary or trustee of a trust (and which are not included as personal interests under category (a) above); and

in the case of interests which fall within categories (c) and (d) above, a note setting out the nature of such interests should be provided to assist shareholders and investors to understand how the interests arise; and

(2) with regard to the information required to be included by virtue of rule 18.15(1), must specify the company in which securities are held, the class to which those securities belong and the number of such securities held, but need not disclose the interests of a director in the equity securities of the listed issuer or any of its subsidiaries if such interest is held solely in a non-beneficial capacity and is for the purpose of holding the requisite qualifying shares or the non-beneficial interests of directors in the equity securities of any subsidiary of the listed issuer in so far as that interest comprises the holding of shares subject to the terms of a written, valid and legally enforceable declaration of trust in favour of the parent company of that subsidiary or the listed issuer and such interest is held solely for the purpose of ensuring that the relevant subsidiary has more than one member.

*Note: Where interests in securities arising from the holding of such securities as qualifying shares are not disclosed pursuant to the exception provided in this paragraph, a general statement should nevertheless be made to indicate that the directors hold qualifying shares.*

18.176 A statement as at the end of the relevant financial year, showing the interests or short positions of every person, other than a director or chief executive of the listed issuer, in the equity securities shares and underlying shares of the listed issuer as recorded in the register required to be kept under section 16(1) of the SDI Ordinance and the amount of such interest 336 of the Securities and Futures Ordinance, or if there is no such interests or short positions recorded in the register, a statement of that fact.

*Note: For the purposes of rules 18.165 and 18.176, particulars should be given of the extent of any duplication which occurs.*

18.17 Statements disclosing interests and short positions in shares, underlying shares and debentures have to separately refer to three categories of persons, namely, directors and chief executives, substantial shareholders and other persons who are required to disclose their interests. Such statements should describe the capacity in which such interests and short positions are held and the nature of such interests and short positions as disclosed in the prescribed forms required to be used, when giving notice pursuant to sections 324 and 347 of Part XV of the Securities and Futures Ordinance. Where interests or short positions are attributable on account of holdings through corporations that are not wholly-owned by the person making disclosure, the percentage interests held by such person in such corporation should be disclosed.

18.17A For directors and chief executives, the statements should show details of the following matters as recorded in the register required to be kept under section 352 of the Securities and Futures Ordinance:

- (1) aggregate long position in shares and (in respect of positions held pursuant to equity derivatives) underlying shares and in debentures of the issuer and its associated corporation(s) showing separately for each entity:
  - (a) interests in shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds);
  - (b) interests in debentures; and
  - (c) interests under equity derivatives showing separately for listed and unlisted equity derivatives, interests in underlying shares of the entity pursuant to:
    - (i) physically settled equity derivatives;
    - (ii) cash settled equity derivatives;
    - (iii) other equity derivatives.

Notes:

- (1) In the case of issuers and associated corporations, the statements should include the percentage which the aggregate long position in shares represents to the issued share capital of the issuer or associated corporation.
  - (2) A long position arises where a person is a party to an equity derivative, by virtue of which the person:

    - (i) has a right to take the underlying shares;
    - (ii) is under an obligation to take the underlying shares;
    - (iii) has a right to receive money if the price of the underlying shares increases; or
    - (iv) has a right to avoid or reduce a loss if the price of the underlying shares increases.
  - (3) For (c)(i) above, in respect of options granted to directors or chief executives pursuant to share option schemes under Chapter 23 of the GEM Listing Rules, the statements should show such details as are required to be disclosed under Rule 23.07(1) of the GEM Listing Rules.
- (2) aggregate short position in shares and (in respect of positions held pursuant to, equity derivatives) underlying shares and in debentures of the issuer and its associated corporation(s) showing separately for each entity:
- (a) short positions in respect of shares arising under a stock borrowing and lending agreement; and
  - (b) short positions under equity derivatives showing separately for listed and unlisted equity derivatives, interests in underlying shares of the entity pursuant to:

    - (i) physically settled equity derivatives;
    - (ii) cash settled equity derivatives; and
    - (iii) other equity derivatives.

Notes:

- (1) In the case of issuers or associated corporations, the statements should include the percentage which the aggregate short position in shares represents to the issued share capital of the issuer or associated corporation.
- (2) A short position arises:

  - (i) where the person is the borrower of shares under a securities borrowing and lending agreement, or has an obligation to deliver the underlying shares to another person who has lent shares;

- (ii) where the person is the holder, writer or issuer of any equity derivatives, by virtue of which the person —
  - (a) has a right to require another person to take the underlying shares of the equity derivatives;
  - (b) is under an obligation to deliver the underlying shares of the equity derivatives to another person;
  - (c) has a right to receive from another person money if the price of the underlying shares declines; or
  - (d) has a right to avoid a loss if the price of the underlying shares declines.

18.17B For substantial shareholders, the statements should show details of the following matters as recorded in the register required to be kept under section 336 of the Securities and Futures Ordinance:

- (1) aggregate long position in the shares and (in respect of positions held pursuant to equity derivatives) underlying shares of the issuer showing separately:
  - (a) interests in shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds); and
  - (b) interests under equity derivatives showing separately for listed and unlisted equity derivatives, interests in underlying shares of the entity pursuant to:
    - (i) physically settled equity derivatives; and
    - (ii) cash settled equity derivatives.

Notes:

- (1) The statements should include the percentage which the aggregate long position in shares represents to the issued share capital of the issuer.
- (2) A long position arises where a person is a party to an equity derivative, by virtue of which the person:
  - (i) has a right to take the underlying shares;
  - (ii) is under an obligation to take the underlying shares;
  - (iii) has a right to receive money if the price of the underlying shares increases; or
  - (iv) has a right to avoid or reduce a loss if the price of the underlying shares increases.
- (3) For (b)(i) above, in respect of options granted to substantial shareholders pursuant to share option schemes under Chapter 23 of the GEM Listing Rules, the statements should show such details as are required to be disclosed under Rule 23.07(1) of the GEM Listing Rules.

- (2) aggregate short position in shares and (in respect of positions held pursuant to equity derivatives) underlying shares of the issuer showing separately:
- (a) short positions in respect of shares arising under a stock borrowing and lending agreement; and
  - (b) short positions under equity derivatives showing separately for listed and unlisted equity derivatives, interests in underlying shares of the entity pursuant to:
    - (i) physically settled equity derivatives; and
    - (ii) cash settled equity derivatives.

Notes:

- (1) The statements should include the percentage which the aggregate short position in shares represents to the issued share capital of the issuer.
- (2) A short position arises:
- (i) where the person is the borrower of shares under a securities borrowing and lending agreement, or has an obligation to deliver the underlying shares to another person who has lent shares;
  - (ii) where the person is the holder, writer or issuer of any equity derivatives, by virtue of which the person —
    - (a) has a right to require another person to take the underlying shares of the equity derivatives;
    - (b) is under an obligation to deliver the underlying shares of the equity derivatives to another person;
    - (c) has a right to receive from another person money if the price of the underlying shares declines; or
    - (d) has a right to avoid a loss if the price of the underlying shares declines.

18.17C For other persons whose interests are recorded (or, in the case of a new listing, are required to be recorded) in the register required to be kept under section 336 of the Securities and Futures Ordinance, the statements should show details of the same matters as are required to be disclosed in the case of a substantial shareholder pursuant to Rule 18.17B, except that note (3) to Rule 18.17B(1) does not apply.

### **Additional disclosure for Financial Conglomerates**

*Information in the annual report which is outside the scope of the auditor's report*

18.39 Brief biographical details in respect of the directors and senior managers of the listed issuer. Such details will include name, age, positions held with the listed issuer and other members of the listed issuer's group, length of service with the listed 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 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 of the listed issuer is a director or employee of a company which has an interest in the share capital of the listed issuer which would fall to be disclosed to the listed issuer under the provisions ~~of Part II of the SDI Ordinance~~ in Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, that fact shall be stated.

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

### **Half-year reports**

#### *Content of half-year reports*

18.56 (1) Subject to rule 18.57(2), a statement as at the end of the relevant period showing: ~~(1)~~ the interests and short positions of each director and chief executive of the listed issuer in the ~~equity or debt securities, shares, underlying shares and debentures~~ of the listed issuer or any associated corporation (within the meaning of ~~the SDI Ordinance~~ Part XV of the Securities and Futures Ordinance):

- (a) as recorded in the register required to be kept under section 352 of the Securities and Futures Ordinance; or
- (b) as otherwise notified to the listed issuer and the Exchange pursuant to the minimum standards of dealing by directors of listed issuer as referred to in rule 5.40; or
- (c) if there is no such interests and short positions, a statement of that fact,

provided that the Exchange may agree, in its sole discretion, that compliance with this sub-paragraph may be modified or waived in respect of any associated corporation if, in the opinion of the Exchange, the number of associated corporations in respect of which each director and chief executive is taken or deemed to have an interest under ~~the SDI Ordinance~~ Part XV of the Securities and Futures Ordinance is such that compliance with this sub-paragraph would result in particulars being given which are not material in the context of the group and are of excessive length; ~~and.~~

~~(2) the details of any right to subscribe for equity or debt securities of the listed issuer granted to any director or chief executive of the listed issuer or to the spouse or children under 18 years of age of any such director or chief executive and of the exercise of such right,~~

~~as recorded in the register required to be kept under section 29 of the SDI Ordinance or as otherwise notified to the listed issuer and the Exchange pursuant to the minimum standards of dealing by directors of listed issuer as referred to in rule 5.40, or if there is no such interest or no such right that has been granted or exercised, a statement of that fact.~~

(2) The information required to be included by virtue of rule 18.56(1) must specify the company in which interests or short positions are held, the class to which those securities belong and the number of such securities held, but need not disclose:

- (a) the interests of a director or a chief executive officer in the shares of the listed issuer or any of its subsidiaries if such interest is held solely in a non-beneficial capacity and is for the purpose of holding the requisite qualifying shares; or

- (b) the non-beneficial interests of directors or chief executive officers in the shares of any subsidiary of the listed issuer in so far as that interest comprises the holding of shares subject to the terms of a written, valid and legally enforceable declaration of trust in favour of the parent company of that subsidiary or the listed issuer and such interest is held solely for the purpose of ensuring that the relevant subsidiary has more than one member.

*Note: Where interests in securities arising from the holding of such securities as qualifying shares are not disclosed pursuant to the exception provided in this paragraph, a general statement should nevertheless be made to indicate that the directors hold qualifying shares.*

**18.57 The statement required by rule 18.56:—**

- (1) ~~must set out the total number or amount of such securities in which each director and chief executive is interested, as recorded in the issuer's register of interests, and then separately distinguish such interests between four categories as follows:—~~
- ~~(a) Personal interests — namely those beneficial interests in securities which are registered in the name of the director or chief executive or a nominee who holds the securities on his behalf and to his order (e.g. a streetname), including interests in securities which he has contracted to purchase;~~
  - ~~(b) Family interests — namely those interests in securities which a director or chief executive is deemed or taken to have under the SDI Ordinance with respect to securities in which his spouse or his child under the age of 18 years are interested;~~
  - ~~(c) Corporate interests — namely those interests in securities which a director or chief executive is deemed or taken to have under the SDI Ordinance with respect to the interests of a corporation where he is either entitled to exercise (or is taken under the SDI Ordinance to be able to exercise) or control the exercise of one third or more of the voting power in general meetings of that corporation or where the corporation or its directors are accustomed to act in accordance with his directions or instructions; and~~
  - ~~(d) Other interests — namely those interests in securities recorded in the register of interests which do not fall within one of the above categories. This would include, by way of example, those interests which a director or chief executive is deemed or taken to have under the SDI Ordinance with respect to options which entitle a director or chief executive to call for the delivery of securities or to acquire an interest in securities and any interests in securities which arise as a result of the director or chief executive being a beneficiary or trustee of a trust (and which are not included as personal interests under category (a) above); and~~

~~in the case of interests which fall within categories (c) and (d) above, a note setting out the nature of such interests should be provided to assist shareholders and investors to understand how the interests arise; and~~

- (2) ~~with regard to the information required to be included by virtue of rule 18.56(1), must specify the company in which securities are held, the class to which those securities belong and the number of such securities held, but need not disclose the interests of a director in the equity securities of the listed issuer or any of its subsidiaries if such interest is held solely in a non-beneficial capacity and is for the purpose of holding the requisite qualifying shares or the non-beneficial interests of directors in the equity securities of any~~

subsidiary of the listed issuer in so far as that interest comprises the holding of shares subject to the terms of a written, valid and legally enforceable declaration of trust in favour of the parent company of that subsidiary or the listed issuer and such interest is held solely for the purpose of ensuring that the relevant subsidiary has more than one member.

*Note: Where interests in securities arising from the holding of such securities as qualifying shares are not disclosed pursuant to the exception provided in this paragraph, a general statement should nevertheless be made to indicate that the directors hold qualifying shares.*

18.587 A statement as at the end of the relevant period showing the interests and short positions of every person, other than a director or chief executive of the listed issuer, in the equity securities shares and underlying shares of the listed issuer as recorded in the register required to be kept under section 16(1) of the SDI Ordinance and the amount of such interest<sup>336 of the Securities and Futures Ordinance</sup>, or if there is no such interests or short positions recorded in the register, a statement of that fact.

*Note: For the purposes of rules 18.576 and 18.587, particulars should be given of the extent of any duplication which occurs.*

18.58 Statements disclosing interests and short positions in shares, underlying shares and debentures have to separately refer to three categories of persons, namely, directors and chief executives, substantial shareholders and other persons who are required to disclose their interests. Such statements should describe the capacity in which such interests and short positions are held and the nature of such interests and short positions as disclosed in the prescribed forms required to be used, when giving notice pursuant to sections 324 and 347 of Part XV of the Securities and Futures Ordinance. Where interests or short positions are attributable on account of holdings through corporations that are not wholly-owned by the person making disclosure, the percentage interests held by such person in such corporations should be disclosed.

18.58A For directors and chief executives, the statements should show details of the following matters as recorded in the register required to be kept under section 352 of the Securities and Futures Ordinance:

- (1) aggregate long position in shares and (in respect of positions held pursuant to equity derivatives) underlying shares and in debentures of the issuer and its associated corporation(s) showing separately for each entity:
  - (a) interests in shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds);
  - (b) interests in debentures; and
  - (c) interests under equity derivatives showing separately for listed and unlisted equity derivatives, interests in underlying shares of the entity pursuant to:
    - (i) physically settled equity derivatives;
    - (ii) cash settled equity derivatives;
    - (iii) other equity derivatives.

Notes:

- (1) In the case of issuers and associated corporations, the statements should include the percentage which the aggregate long position in shares represents to the issued share capital of the issuer or associated corporation.
  - (2) A long position arises where a person is a party to an equity derivative, by virtue of which the person:

    - (i) has a right to take the underlying shares;
    - (ii) is under an obligation to take the underlying shares;
    - (iii) has a right to receive money if the price of the underlying shares increases; or
    - (iv) has a right to avoid or reduce a loss if the price of the underlying shares increases.
  - (3) For (c)(i) above, in respect of options granted to directors or chief executives pursuant to share option schemes under Chapter 23 of the GEM Listing Rules, the statements should show such details as are required to be disclosed under Rule 23.07(1) of the GEM Listing Rules.
- (2) aggregate short position in shares and (in respect of positions held pursuant to equity derivatives) underlying shares and in debentures of the issuer and its associated corporation(s) showing separately for each entity:
- (a) short positions in respect of shares arising under a stock borrowing and lending agreement; and
  - (b) short positions under equity derivatives showing separately for listed and unlisted equity derivatives, interests in underlying shares of the entity pursuant to:

    - (i) physically settled equity derivatives;
    - (ii) cash settled equity derivatives; and
    - (iii) other equity derivatives.

Notes:

- (1) In the case of issuers or associated corporations, the statements should include the percentage which the aggregate short position in shares represents to the issued share capital of the issuer or associated corporation.
- (2) A short position arises:

  - (i) where the person is the borrower of shares under a securities borrowing and lending agreement, or has an obligation to deliver the underlying shares to another person who has lent shares;
  - (ii) where the person is the holder, writer or issuer of any equity derivatives, by virtue of which the person —

    - (a) has a right to require another person to take the underlying shares of the equity derivatives;

*(b) is under an obligation to deliver the underlying shares of the equity derivatives to another person;*

*(c) has a right to receive from another person money if the price of the underlying shares declines; or*

*(d) has a right to avoid a loss if the price of the underlying shares declines.*

18.58B For substantial shareholders, the statements should show details of the following matters as recorded in the register required to be kept under section 336 of the Securities and Futures Ordinance:

(1) aggregate long position in the shares and (in respect of positions held pursuant to equity derivatives) underlying shares of the issuer showing separately:

(a) interests in shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds); and

(b) interests under equity derivatives showing separately for listed and unlisted equity derivatives, interests in underlying shares of the entity pursuant to:

(i) physically settled equity derivatives; and

(ii) cash settled equity derivatives.

Notes:

(1) The statements should include the percentage which the aggregate long position in shares represents to the issued share capital of the issuer.

(2) A long position arises where a person is a party to an equity derivative, by virtue of which the person:

(i) has a right to take the underlying shares;

(ii) is under an obligation to take the underlying shares;

(iii) has a right to receive money if the price of the underlying shares increases; or

(iv) has a right to avoid or reduce a loss if the price of the underlying shares increases.

(3) For (b)(i) above, in respect of options granted to substantial shareholders pursuant to share option schemes under Chapter 23 of the GEM Listing Rules, the statements should show such details as are required to be disclosed under Rule 23.07(1) of the GEM Listing Rules.

(2) aggregate short position in shares and (in respect of positions held pursuant to equity derivatives) underlying shares of the issuer showing separately:

(a) short positions in respect of shares arising under a stock borrowing and lending agreement; and

- (b) short positions under equity derivatives showing separately for listed and unlisted equity derivatives, interests in underlying shares of the entity pursuant to:
  - (i) physically settled equity derivatives; and
  - (ii) cash settled equity derivatives.

Notes:

- (1) The statements should include the percentage which the aggregate short position in shares represents to the issued share capital of the issuer.
- (2) A short position arises:
  - (i) where the person is the borrower of shares under a securities borrowing and lending agreement, or has an obligation to deliver the underlying shares to another person who has lent shares;
  - (ii) where the person is the holder, writer or issuer of any equity derivatives, by virtue of which the person —
    - (a) has a right to require another person to take the underlying shares of the equity derivatives;
    - (b) is under an obligation to deliver the underlying shares of the equity derivatives to another person;
    - (c) has a right to receive from another person money if the price of the underlying shares declines; or
    - (d) has a right to avoid a loss if the price of the underlying shares declines.

18.58C For other persons whose interests are recorded (or, in the case of a new listing, are required to be recorded) in the register required to be kept under section 336 of the Securities and Futures Ordinance, the statements should show details of the same matters as are required to be disclosed in the case of a substantial shareholder pursuant to Rule 18.58B, except that note (3) to Rule 18.58B(1) does not apply.

## **Quarterly reports**

### *Content of quarterly reports*

- 18.69 (1) Subject to rule 18.7069(2), a statement as at the end of the relevant period showing:—(1) the interests and short positions of each director and chief executive of the listed issuer in the equity or debt securities shares, underlying shares and debentures of the listed issuer or any associated corporation (within the meaning of the SDI Ordinance Part XV of the Securities and Futures Ordinance):
- (a) as recorded in the register required to be kept under section 352 of the Securities and Futures Ordinance; or
  - (b) as otherwise notified to the listed issuer and the Exchange pursuant to the minimum standards of dealing by directors of listed issuer as referred to in rule 5.40; or
  - (c) if there is no such interests or short positions, a statement of that fact.

provided that the Exchange may agree, in its sole discretion, that compliance with this sub-paragraph may be modified or waived in respect of any associated corporation if, in the opinion of the Exchange, the number of associated corporations in respect of which each director and chief executive is taken or deemed to have an interest under ~~the SDI Ordinance~~ Part XV of the Securities and Futures Ordinance is such that compliance with this sub-paragraph would result in particulars being given which are not material in the context of the group and are of excessive length; ~~and.~~

- (2) ~~the details of any right to subscribe for equity or debt securities of the listed issuer granted to any director or chief executive of the listed issuer or to the spouse or children under 18 years of age of any such director or chief executive and of the exercise of such right;~~

~~as recorded in the register required to be kept under section 29 of the SDI Ordinance or as otherwise notified to the listed issuer and the Exchange pursuant to the minimum standards of dealing by directors of listed issuer as referred to in rule 5.40, or if there is no such interest or no such right that has been granted or exercised, a statement of that fact.~~

- (2) The information required to be included by virtue of rule 18.69(1) must specify the company in which interests or short positions are held, the class to which those securities belong and the number of such securities held, but need not disclose:
- (a) the interests of a director or a chief executive officer in the shares of the listed issuer or any of its subsidiaries if such interest is held solely in a non-beneficial capacity and is for the purpose of holding the requisite qualifying shares; or
  - (b) the non-beneficial interests of directors or chief executive officers in the shares of any subsidiary of the listed issuer in so far as that interest comprises the holding of shares subject to the terms of a written, valid and legally enforceable declaration of trust in favour of the parent company of that subsidiary or the listed issuer and such interest is held solely for the purpose of ensuring that the relevant subsidiary has more than one member.

*Note: Where interests in securities arising from the holding of such securities as qualifying shares are not disclosed pursuant to the exception provided in this paragraph, a general statement should nevertheless be made to indicate that the directors hold qualifying shares.*

18.70 The statement required by rule 18.69:—

- (1) ~~must set out the total number or amount of such securities in which each director and chief executive is interested, as recorded in the issuer's register of interests, and then separately distinguish such interests between four categories as follows:—~~
- (a) ~~Personal interests — namely those beneficial interests in securities which are registered in the name of the director or chief executive or a nominee who holds the securities on his behalf and to his order (e.g. a streetname), including interests in securities which he has contracted to purchase;~~
  - (b) ~~Family interests — namely those interests in securities which a director or chief executive is deemed or taken to have under the SDI Ordinance with respect to securities in which his spouse or his child under the age of 18 years are interested;~~

- (c) ~~Corporate interests — namely those interests in securities which a director or chief executive is deemed or taken to have under the SDI Ordinance with respect to the interests of a corporation where he is either entitled to exercise (or is taken under the SDI Ordinance to be able to exercise) or control the exercise of one third or more of the voting power in general meetings of that corporation or where the corporation or its directors are accustomed to act in accordance with his directions or instructions; and~~
- (d) ~~Other interests — namely those interests in securities recorded in the register of interests which do not fall within one of the above categories. This would include, by way of example, those interests which a director or chief executive is deemed or taken to have under the SDI Ordinance with respect to options which entitle a director or chief executive to call for the delivery of securities or to acquire an interest in securities and any interests in securities which arise as a result of the director or chief executive being a beneficiary or trustee of a trust (and which are not included as personal interests under category (a) above); and~~

~~in the case of interests which fall within categories (c) and (d) above, a note setting out the nature of such interests should be provided to assist shareholders and investors to understand how the interests arise; and~~

- (2) ~~with regard to the information required to be included by virtue of rule 18.69(1), must specify the company in which securities are held, the class to which those securities belong and the number of such securities held, but need not disclose the interests of a director in the equity securities of the listed issuer or any of its subsidiaries if such interest is held solely in a non-beneficial capacity and is for the purpose of holding the requisite qualifying shares or the non-beneficial interests of directors in the equity securities of any subsidiary of the listed issuer in so far as that interest comprises the holding of shares subject to the terms of a written, valid and legally enforceable declaration of trust in favour of the parent company of that subsidiary or the listed issuer and such interest is held solely for the purpose of ensuring that the relevant subsidiary has more than one member.~~

~~Note: Where interests in securities arising from the holding of such securities as qualifying shares are not disclosed pursuant to the exception provided in this paragraph, a general statement should nevertheless be made to indicate that the directors hold qualifying shares.~~

18.740 A statement as at the end of the relevant period showing the interests or short positions of every person, other than a director or chief executive of the listed issuer, in the equity securities~~shares~~ and underlying shares of the listed issuer as recorded in the register required to be kept under section 16(1) of the SDI Ordinance ~~and the amount of such interest~~336 of the Securities and Futures Ordinance, or if there is no such interests or short positions recorded in the register, a statement of that fact.

*Note: For the purposes of rules 18.7069 and 18.740, particulars should be given of the extent of any duplication which occurs.*

18.71 Statements disclosing interests and short positions in shares, underlying shares and debentures have to separately refer to three categories of persons, namely, directors and chief executives, substantial shareholders and other persons who are required to disclose their interests. Such statements should describe the capacity in which such interests and short positions are held and the nature of such interests and short positions as disclosed in the prescribed forms required to be used, when giving notice pursuant to sections 324 and 347 of Part XV of the Securities and Futures Ordinance. Where interests or short positions are attributable on account of holdings through corporations that are not wholly-owned by the person making disclosure, the percentage interests held by such person in such corporations should be disclosed.

18.71A For directors and chief executives, the statements should show details of the following matters as recorded in the register required to be kept under section 352 of the Securities and Futures Ordinance:

- (1) aggregate long position in shares and (in respect of positions held pursuant to equity derivatives) underlying shares and in debentures of the issuer and its associated corporation(s) showing separately for each entity:
  - (a) interests in shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds);
  - (b) interests in debentures; and
  - (c) interests under equity derivatives showing separately for listed and unlisted equity derivatives, interests in underlying shares of the entity pursuant to:
    - (i) physically settled equity derivatives;
    - (ii) cash settled equity derivatives;
    - (iii) other equity derivatives.

Notes:

- (1) *In the case of issuers and associated corporations, the statements should include the percentage which the aggregate long position in shares represents to the issued share capital of the issuer or associated corporation.*
  - (2) *A long position arises where a person is a party to an equity derivative, by virtue of which the person:*
    - (i) *has a right to take the underlying shares;*
    - (ii) *is under an obligation to take the underlying shares;*
    - (iii) *has a right to receive money if the price of the underlying shares increases; or*
    - (iv) *has a right to avoid or reduce a loss if the price of the underlying shares increases.*
  - (3) *For (c)(i) above, in respect of options granted to directors or chief executives pursuant to share option schemes under Chapter 23 of the GEM Listing Rules, the statements should show such details as are required to be disclosed under Rule 23.07(1) of the GEM Listing Rules.*
- (2) aggregate short position in shares and (in respect of positions held pursuant to equity derivatives) underlying shares and in debentures of the issuer and its associated corporation(s) showing separately for each entity:
    - (a) short positions in respect of shares arising under a stock borrowing and lending agreement; and

- (b) short positions under equity derivatives showing separately for listed and unlisted equity derivatives, interests in underlying shares of the entity pursuant to:
  - (i) physically settled equity derivatives;
  - (ii) cash settled equity derivatives; and
  - (iii) other equity derivatives.

Notes:

- (1) In the case of issuers or associated corporations, the statements should include the percentage which the aggregate short position in shares represents to the issued share capital of the issuer or associated corporation.
- (2) A short position arises:
  - (i) where the person is the borrower of shares under a securities borrowing and lending agreement, or has an obligation to deliver the underlying shares to another person who has lent shares;
  - (ii) where the person is the holder, writer or issuer of any equity derivatives, by virtue of which the person —
    - (a) has a right to require another person to take the underlying shares of the equity derivatives;
    - (b) is under an obligation to deliver the underlying shares of the equity derivatives to another person;
    - (c) has a right to receive from another person money if the price of the underlying shares declines; or
    - (d) has a right to avoid a loss if the price of the underlying shares declines.

18.71B For substantial shareholders, the statements should show details of the following matters as recorded in the register required to be kept under section 336 of the Securities and Futures Ordinance:

- (1) aggregate long position in the shares and (in respect of positions held pursuant to equity derivatives) underlying shares of the issuer showing separately:
  - (a) interests in shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds); and
  - (b) interests under equity derivatives showing separately for listed and unlisted equity derivatives, interests in underlying shares of the entity pursuant to:
    - (i) physically settled equity derivatives; and
    - (ii) cash settled equity derivatives.

Notes:

- (1) The statements should include the percentage which the aggregate long position in shares represents to the issued share capital of the issuer.
  - (2) A long position arises where a person is a party to an equity derivative, by virtue of which the person:
    - (i) has a right to take the underlying shares;
    - (ii) is under an obligation to take the underlying shares;
    - (iii) has a right to receive money if the price of the underlying shares increases; or
    - (iv) has a right to avoid or reduce a loss if the price of the underlying shares increases.
  - (3) For (b)(i) above, in respect of options granted to substantial shareholders pursuant to share option schemes under Chapter 23 of the GEM Listing Rules, the statements should show such details as are required to be disclosed under Rule 23.07(1) of the GEM Listing Rules.
- (2) aggregate short position in shares and (in respect of positions held pursuant to equity derivatives) underlying shares of the issuer showing separately:
- (a) short positions in respect of shares arising under a stock borrowing and lending agreement; and
  - (b) short positions under equity derivatives showing separately for listed and unlisted equity derivatives, interests in underlying shares of the entity pursuant to:
    - (i) physically settled equity derivatives; and
    - (ii) cash settled equity derivatives.

Notes:

- (1) The statements should include the percentage which the aggregate short position in shares represents to the issued share capital of the issuer.
- (2) A short position arises:
  - (i) where the person is the borrower of shares under a securities borrowing and lending agreement, or has an obligation to deliver the underlying shares to another person who has lent shares;
  - (ii) where the person is the holder, writer or issuer of any equity derivatives, by virtue of which the person —
    - (a) has a right to require another person to take the underlying shares of the equity derivatives;
    - (b) is under an obligation to deliver the underlying shares of the equity derivatives to another person;

*(c) has a right to receive from another person money if the price of the underlying shares declines; or*

*(d) has a right to avoid a loss if the price of the underlying shares declines.*

18.71C For other persons whose interests are recorded (or, in the case of a new listing, are required to be recorded) in the register required to be kept under section 336 of the Securities and Futures Ordinance, the statements should show details of the same matters as are required to be disclosed in the case of a substantial shareholder pursuant to Rule 18.71B, except that note (3) to Rule 18.71B(1) does not apply.

# Chapter 19

## EQUITY SECURITIES

### TRANSACTIONS

#### Contents of circulars

##### *Major transaction circulars*

19.55 In addition to the requirements set out in rule 19.54, a circular issued in relation to an acquisition constituting a major transaction must contain:—

- (3) the information required under paragraph 34 of Appendix 1 Part B in relation to each new director and member of senior management joining the listed issuer in connection with the transaction;

*Note: The fact that any director or proposed director is a director or employee of a company which has an interest or short position in the ~~share capital shares or underlying shares~~ of the listed issuer which would fall to be disclosed to the listed issuer under the provisions ~~of Part II of the SDI Ordinance in Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance~~ need not be stated.*

#### Takeovers and mergers

##### *Takeover Code*

19.66 If a listed issuer makes or receives a takeover offer, the listed issuer must submit drafts of all documents to be issued in connection with the takeover or merger to the Exchange for review before they are issued. 10 copies of the final documents issued must be supplied to the Exchange at the time of issue.

*Note: ~~If the proposed transaction is related to a takeover, merger or a share repurchase the Exchange will normally pass its comments on any documents submitted to it to the Takeovers and Mergers Executive who will relay such comments to the listed issuer or its advisers. If the proposed transaction is a listing related matter, but the transaction also has aspects related to a takeover, merger or share repurchase, the Takeovers and Merger Executive will normally pass its comments on any documents submitted to it to the Exchange, who will relay such comments to the listed issuer or its advisers. In either case, whenever a proposed transaction, or any aspect of it is governed by the Takeovers Code or the Code on Share Repurchases, any announcement, advertisement or document to be issued in relation to the transaction should be filed with the Takeovers and Mergers Executive and the Exchange simultaneously to facilitate the timely processing of the documents consistent with the above clearance procedures. The Exchange will pass its comments on any draft document submitted to it for approval that relates to a matter covered by the Takeover Code and Code on Share Repurchases directly to the party that submits the draft document (or its advisers). The Exchange will at the same time provide a copy of such comments to the Commission.~~*

# Chapter 29

## DEBT SECURITIES

### (OTHER THAN SELECTIVELY MARKETED SECURITIES)

#### LISTING DOCUMENTS

##### Preliminary

29.02AA The Exchange shall be authorised by new applicants and listed issuers to file their “applications” (as defined in section 2 of the Securities and Futures (Stock Market Listing) Rules) and those corporate disclosure materials within the meaning of sections 7(1) and (2) of the Securities and Futures (Stock Market Listing) Rules received by the Exchange with the Commission pursuant to sections 5(2) and 7(3) of the Securities and Futures (Stock Market Listing) Rules respectively and new applicants and listed issuers shall be deemed to have agreed to the above by filing such applications and corporate disclosure materials with the Exchange. The authorisation aforementioned shall not be altered or revoked in any way unless prior written approval has been obtained from the Exchange and the Exchange shall have the absolute discretion to grant such approval. In addition, the Exchange may require and new applicants and listed issuers shall execute such documents in favour of the Exchange perfecting the above authorisation as the Exchange may require. Applications and relevant corporate disclosure materials shall be filed with the Exchange in such manner and number of copies as the Exchange may from time to time prescribe.

# Chapter 30

## DEBT SECURITIES

### SELECTIVELY MARKETED SECURITIES

#### Introduction

30.03A The Exchange shall be authorised by new applicants and listed issuers to file their “applications” (as defined in section 2 of the Securities and Futures (Stock Market Listing) Rules) and those corporate disclosure materials within the meaning of sections 7(1) and (2) of the Securities and Futures (Stock Market Listing) Rules received by the Exchange with the Commission pursuant to sections 5(2) and 7(3) of the Securities and Futures (Stock Market Listing) Rules respectively and new applicants and listed issuers shall be deemed to have agreed to the above by filing such applications and corporate disclosure materials with the Exchange. The authorisation aforementioned shall not be altered or revoked in any way unless prior written approval has been obtained from the Exchange and the Exchange shall have the absolute discretion to grant such approval. In addition, the Exchange may require and new applicants and listed issuers shall execute such documents in favour of the Exchange perfecting the above authorisation as the Exchange may require. Applications and relevant corporate disclosure materials shall be filed with the Exchange in such manner and number of copies as the Exchange may from time to time prescribe.

# Chapter 31

## DEBT SECURITIES

### CONTINUING OBLIGATIONS

#### Announcements, circulars and other documents

##### *General*

31.19A The Exchange shall be authorised by the issuer to file “applications” (as defined in section 2 of the Securities and Futures (Stock Market Listing) Rules) and those corporate disclosure materials within the meaning of sections 7(1) and (2) of the Securities and Futures (Stock Market Listing) Rules received by the Exchange with the Commission pursuant to sections 5(2) and 7(3) of the Securities and Futures (Stock Market Listing) Rules respectively and issuers shall be deemed to have agreed to the above by filing such applications and corporate disclosure materials with the Exchange. The authorisation aforementioned shall not be altered or revoked in any way unless prior written approval has been obtained from the Exchange and the Exchange shall have the absolute discretion to grant such approval. In addition, the issuer undertakes to execute such documents in favour of the Exchange perfecting the above authorisation as the Exchange may require. Applications and relevant corporate disclosure materials shall be filed with the Exchange in such manner and number of copies as the Exchange may from time to time prescribe.

# Chapter 36

## Listing of HKEC

36.01 In the context of the listing of HKEC on the Main Board, and as contemplated by ~~section 13 of the Exchanges and Clearing Houses (Merger) Ordinance (Cap. 555) (the "Merger Ordinance")~~section 74 of the Securities and Futures Ordinance:

- (1) the Exchange has included this Chapter in the GEM Listing Rules; and
- (2) HKEC and the Exchange have entered into a memorandum of understanding with the Commission.

### **The Commission's powers and functions in the event of a conflict of interest**

36.03 Pursuant to section ~~13 of the Merger Ordinance~~74 of the Securities and Futures Ordinance the Commission shall have those powers and functions in relation to conflicts of interests or potential conflicts of interest as are set out in this Chapter and in the memorandum of understanding referred to in rule 36.01(2).

36.04 Where, pursuant to section ~~13 of the Merger Ordinance~~74 of the Securities and Futures Ordinance and this Chapter, the Commission exercises powers and functions with respect to applicants for listing or listed issuers in place of the Exchange:

# 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**

##### **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. 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 or short position in the ~~share capital~~shares or underlying shares of the issuer which would fall to be disclosed to the issuer under ~~the provisions of Part II of the SDI Ordinance~~Divisions 2 and 3 of Part XV of the Securities and Futures 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.

45. (1) A statement showing the interests or short positions of each director and chief executive of the issuer in the ~~equity or debt securities~~shares, underlying shares and debentures of the issuer or any associated corporation (within the meaning of ~~the SDI Ordinance~~Part XV of the Securities and Futures Ordinance) which:—
- (a) will have to be notified to the issuer and the Exchange pursuant to ~~section 28 of the SDI Ordinance~~Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (including interests and short positions which he is taken or deemed to have under ~~section 31 or Part I of the Schedule to the SDI Ordinance~~such provisions of Securities and Futures Ordinance) once the issuer's securities are listed; or
  - (b) will be required, pursuant to section ~~29 of the SDI Ordinance~~352 of the Securities and Futures Ordinance, to be entered in the register referred to therein, once the issuer's securities are listed; or
  - (c) will be required, pursuant to rules 5.40 to 5.598 of the GEM Listing Rules relating to securities transactions by directors to be notified to the issuer and the Exchange once the issuer's securities are listed;

or an appropriate negative statement. Provided that the Exchange may agree in its sole discretion that compliance with this paragraph may be modified or waived in respect of any associated corporation if, in the opinion of the Exchange, the number of associated corporations in respect of which each director and chief executive is taken or deemed to have an interest ~~under the SDI Ordinance~~ or short position under Part XV of the Securities and Futures Ordinance is such that compliance with this paragraph would result in particulars being given which are not material in the context of the group and are excessive in length.

~~(2) Any statement showing such interests of directors and chief executives must set out the total number or amount of such securities in which each director and chief executive is interested, as recorded in the issuer's register of interests, and then separately distinguish such interests between four categories as follows:—~~

~~(a) Personal interests — namely those beneficial interests in securities which are registered in the name of the director or chief executive or a nominee who holds the securities on his behalf and to his order (e.g. a streetname), including interests in securities which he has contracted to purchase;~~

~~(b) Family interests — namely those interests in securities which a director or chief executive is deemed or taken to have under the SDI Ordinance with respect to securities in which his spouse or his child under the age of 18 years are interested;~~

~~(c) Corporate interests — namely those interests in securities which a director or chief executive is deemed or taken to have under the SDI Ordinance with respect to interests of a corporation where he is either entitled to exercise (or is taken under the SDI Ordinance to be able to exercise) or control the exercise of one third or more of the voting power in general meetings of that corporation or where the corporation or its directors are accustomed to act in accordance with his directions or instructions; and~~

~~(d) Other interests — namely those interests in securities which are recorded in the register but which do not fall within one of the above categories. This would include, by way of example, those interests which a director or chief executive is deemed or taken to have under the SDI Ordinance with respect to options which entitle a director or chief executive to call for the delivery of securities or to acquire an interest in securities and any interests in securities which arise as a result of the director or chief executive being a beneficiary or trustee of a trust (and which are not included as personal interests under category (a) above).~~

~~In the case of interests which fall within categories (c) and (d) above, a note setting out the nature of such interests should be provided to assist shareholders and investors to understand how the interests arise.~~

~~(Note 7)~~

~~(2) The information required to be included by virtue of paragraph 45(1) of Appendix 1A must specify the company in which interests or short positions are held, the class to which those securities belong and the number of such securities held, but need not disclose:~~

~~(a) the interests of a director or a chief executive officer in the shares of the listed issuer or any of its subsidiaries if such interest is held solely in a non-beneficial capacity and is for the purpose of holding the requisite qualifying shares; or~~

(b) the non-beneficial interests of directors or chief executive officers in the shares of any subsidiary of the listed issuer in so far as that interest comprises the holding of shares subject to the terms of a written, valid and legally enforceable declaration of trust in favour of the parent company of that subsidiary or the listed issuer and such interest is held solely for the purpose of ensuring that the relevant subsidiary has more than one member.

Note: Where interests in securities arising from the holding of such securities as qualifying shares are not disclosed pursuant to the exception provided in this paragraph, a general statement should nevertheless be made to indicate that the directors hold qualifying shares.

(3) A statement showing the name, so far as is known to any director or chief executive of the issuer, of each person, other than a director or chief executive of the issuer, who has an interest or short position in the shares or underlying shares of the issuer which would fall to be disclosed to the issuer under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, or, who is expected, directly or indirectly, to be interested in 10 per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the group and the amount of each of such person's interest in such securities, together with particulars of any options in respect of such capital, or, if there are no such interests or short positions, an appropriate negative statement. (Note 3)

*(Notes 6 and 9)*

(4) Statements disclosing interests and short positions in shares, underlying shares and debentures have to separately refer to three categories of persons, namely, directors and chief executives, substantial shareholders and other persons who are required to disclose their interests. Such statements should describe the capacity in which such interests and short positions are held and the nature of such interests and short positions as disclosed in the prescribed forms required to be used, when giving notice pursuant to sections 324 and 347 of Part XV of the Securities and Futures Ordinance. Where interests or short positions are attributable on account of holdings through corporations that are not wholly-owned by the person making disclosure, the percentage interests held by such person in such corporations should be disclosed.

45A. For directors and chief executives, the statements should show details of the following matters as recorded in the register required to be kept under section 352 of the Securities and Futures Ordinance:

(1) aggregate long position in shares and (in respect of positions held pursuant to equity derivatives) underlying shares and in debentures of the issuer and its associated corporation(s) showing separately for each entity:

(a) interests in shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds);

(b) interests in debentures; and

(c) interests under equity derivatives showing separately for listed and unlisted equity derivatives, interests in underlying shares of the entity pursuant to:

(i) physically settled equity derivatives;

(ii) cash settled equity derivatives;

(iii) other equity derivatives.

Notes:

(1) In the case of issuers and associated corporations, the statements should include the percentage which the aggregate long position in shares represents to the issued share capital of the issuer or associated corporation.

(2) A long position arises where a person is a party to an equity derivative, by virtue of which the person:

(i) has a right to take the underlying shares;

(ii) is under an obligation to take the underlying shares;

(iii) has a right to receive money if the price of the underlying shares increases; or

(iv) has a right to avoid or reduce a loss if the price of the underlying shares increases.

(3) For (c)(i) above, in respect of options granted to directors or chief executives pursuant to share option schemes under Chapter 23 of the GEM Listing Rules, the statements should show such details as are required to be disclosed under Rule 23.07(1) of the GEM Listing Rules.

(2) aggregate short position in shares and (in respect of positions held pursuant to equity derivatives) underlying shares and in debentures of the issuer and its associated corporation(s) showing separately for each entity:

(a) short positions in respect of shares arising under a stock borrowing and lending agreement; and

(b) short positions under equity derivatives showing separately for listed and unlisted equity derivatives, interests in underlying shares of the entity pursuant to:

(i) physically settled equity derivatives;

(ii) cash settled equity derivatives; and

(iii) other equity derivatives.

Notes:

(1) In the case of issuers or associated corporations, the statements should include the percentage which the aggregate short position in shares represents to the issued share capital of the issuer or associated corporation.

(2) A short position arises:

(i) where the person is the borrower of shares under a securities borrowing and lending agreement, or has an obligation to deliver the underlying shares to another person who has lent shares;

- (ii) where the person is the holder, writer or issuer of any equity derivatives, by virtue of which the person —
  - (a) has a right to require another person to take the underlying shares of the equity derivatives;
  - (b) is under an obligation to deliver the underlying shares of the equity derivatives to another person;
  - (c) has a right to receive from another person money if the price of the underlying shares declines; or
  - (d) has a right to avoid a loss if the price of the underlying shares declines.

(Note 7)

45B. For substantial shareholders, the statements should show details of the following matters as recorded in the register required to be kept under section 336 of the Securities and Futures Ordinance:

- (1) aggregate long position in the shares and (in respect of positions held pursuant to equity derivatives) underlying shares of the issuer showing separately:
  - (a) interests in shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds); and
  - (b) interests under equity derivatives showing separately for listed and unlisted equity derivatives, interests in underlying shares of the entity pursuant to:
    - (i) physically settled equity derivatives; and
    - (ii) cash settled equity derivatives.

Notes:

- (1) The statements should include the percentage which the aggregate long position in shares represents to the issued share capital of the issuer.
- (2) A long position arises where a person is a party to an equity derivative, by virtue of which the person:
  - (i) has a right to take the underlying shares;
  - (ii) is under an obligation to take the underlying shares;
  - (iii) has a right to receive money if the price of the underlying shares increases; or
  - (iv) has a right to avoid or reduce a loss if the price of the underlying shares increases.
- (3) For (b)(i) above, in respect of options granted to substantial shareholders pursuant to share option schemes under Chapter 23 of the GEM Listing Rules, the statements should show such details as are required to be disclosed under Rule 23.07(1) of the GEM Listing Rules.

- (2) aggregate short position in shares and (in respect of positions held pursuant to equity derivatives) underlying shares of the issuer showing separately:
- (a) short positions in respect of shares arising under a stock borrowing and lending agreement; and
  - (b) short positions under equity derivatives showing separately for listed and unlisted equity derivatives, interests in underlying shares of the entity pursuant to:
    - (i) physically settled equity derivatives; and
    - (ii) cash settled equity derivatives.

Notes:

- (1) The statements should include the percentage which the aggregate short position in shares represents to the issued share capital of the issuer.
- (2) A short position arises:
- (i) where the person is the borrower of shares under a securities borrowing and lending agreement, or has an obligation to deliver the underlying shares to another person who has lent shares;
  - (ii) where the person is the holder, writer or issuer of any equity derivatives, by virtue of which the person —
    - (a) has a right to require another person to take the underlying shares of the equity derivatives;
    - (b) is under an obligation to deliver the underlying shares of the equity derivatives to another person;
    - (c) has a right to receive from another person money if the price of the underlying shares declines; or
    - (d) has a right to avoid a loss if the price of the underlying shares declines.

(Note 7)

45C. For other persons whose interests are recorded (or, in the case of a new listing, are required to be recorded) in the register required to be kept under section 336 of the Securities and Futures Ordinance, the statements should show details of the same matters as are required to be disclosed in the case of a substantial shareholder pursuant to paragraph 45B, except that note (3) to paragraph 45B(1) does not apply.

(Note 7)

## NOTES

- 6 ~~For the purposes of paragraph 45~~Particulars should be given of the extent of any duplication which occurs.
- 7 Issuers who are in any doubt as to the appropriate category in which an interest or short position should be shown ~~for the purpose of paragraph 45(2)~~, are encouraged to consult the Exchange for further guidance.
- 9 References to directors or proposed directors in paragraphs 13, 28(1), 33(2), 41, 45, 46, 47 49(1) and 54 shall also mean and include supervisors and proposed supervisors, as appropriate. For purposes of applying paragraph 45 to each supervisor of a PRC issuer, paragraph 45 should be interpreted as if ~~the SDI Ordinance~~Part XV of the Securities and Futures Ordinance applied to such persons to the same extent as directors.

# 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**

#### **Information about the issuer's management**

34. 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. 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 or short position in the share capital shares or underlying shares of the issuer which would fall to be disclosed to the issuer under the provisions of Part II of the SDI Ordinance Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, that fact shall be stated.

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. (*Note 8*)

38. (1) A statement showing the interests or short positions of each director and chief executive of the issuer in the equity or debt securities shares, underlying shares and debentures of the issuer or any associated corporation (within the meaning of the SDI Ordinance Part XV of the Securities and Futures Ordinance) which:—
- (a) is required to be notified to the issuer and the Exchange pursuant to section 28 of the SDI Ordinance Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (including interests or short positions which he is taken or deemed to have under section 31 or Part 1 of the Schedule to the SDI Ordinance) such provisions of the Securities and Futures Ordinance); or
  - (b) are required, pursuant to section 29 of the SDI Ordinance 352 of the Securities and Futures Ordinance, to be entered in the register referred to therein; or
  - (c) are required, pursuant to rules 5.40 to 5.598 of the GEM Listing Rules relating to securities transactions by directors to be notified to the issuer and the Exchange;

or an appropriate negative statement. Provided that the Exchange may agree in its sole discretion that compliance with this paragraph may be modified or waived in respect of any associated corporation if, in the opinion of the Exchange, the number of associated corporations in respect of which each director and chief executive is taken or deemed to have an interest or short position under ~~the SDI Ordinance~~ Part XV of the Securities and Futures Ordinance is such that compliance with this paragraph would result in particulars being given which are not material in the context of the group and are excessive in length.

~~(2) Any statement showing such interests of directors and chief executives must set out the total number or amount of such securities in which each director and chief executive is interested, as recorded in the issuer's register of interests, and then separately distinguish such interests between four categories as follows:—~~

~~(a) Personal interests — namely those beneficial interests in securities which are registered in the name of the director or chief executive or a nominee who holds the securities on his behalf and to his order (e.g. a streetname), including interests in securities which he has contracted to purchase;~~

~~(b) Family interests — namely those interests in securities which a director or chief executive is deemed or taken to have under the SDI Ordinance with respect to securities in which his spouse or his child under the age of 18 years are interested;~~

~~(c) Corporate interests — namely those interests in securities which a director or chief executive is deemed or taken to have under the SDI Ordinance with respect to interests of a corporation where he is either entitled to exercise (or is taken under the SDI Ordinance to be able to exercise) or control the exercise of one third or more of the voting power in general meetings of that corporation or where the corporation or its directors are accustomed to act in accordance with his directions or instructions; and~~

~~(d) Other interests — namely those interests in securities which are recorded in the register but which do not fall within one of the above categories. This would include, by way of example, those interests which a director or chief executive is deemed or taken to have under the SDI Ordinance with respect to options which entitle a director or chief executive to call for the delivery of securities or to acquire an interest in securities and any interests in securities which arise as a result of the director or chief executive being a beneficiary or trustee of a trust (and which are not included as personal interests under category (a) above).~~

~~In the case of interests which fall within categories (c) and (d) above, a note setting out the nature of such interests should be provided to assist shareholders and investors to understand how the interests arise.~~

~~(Note 7)~~

~~(2) The information required to be included by virtue of paragraph 38(1) of Appendix 1B must specify the company in which interests or short positions are held, the class to which those securities belong and the number of such securities held, but need not disclose:~~

~~(a) the interests of a director or a chief executive officer in the shares of the listed issuer or any of its subsidiaries if such interest is held solely in a non-beneficial capacity and is for the purpose of holding the requisite qualifying shares; or~~

(b) the non-beneficial interests of directors or chief executive officers in the shares of any subsidiary of the listed issuer in so far as that interest comprises the holding of shares subject to the terms of a written, valid and legally enforceable declaration of trust in favour of the parent company of that subsidiary or the listed issuer and such interest is held solely for the purpose of ensuring that the relevant subsidiary has more than one member.

Note: Where interests in securities arising from the holding of such securities as qualifying shares are not disclosed pursuant to the exception provided in this paragraph, a general statement should nevertheless be made to indicate that the directors hold qualifying shares.

(3) A statement showing the name, so far as is known to any director or chief executive of the issuer, of each person, other than a director or chief executive of the issuer, who has an interest or short position in the shares or underlying shares of the issuer which would fall to be disclosed to the issuer under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, or, who is expected, directly or indirectly, to be interested in 10 per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the group and the amount of each of such person's interest in such securities, together with particulars of any options in respect of such capital, or, if there are no such interests or short positions, an appropriate negative statement. (Note 2)

*(Notes 6 and 8)*

(4) Statements disclosing interests and short positions in shares, underlying shares and debentures have to separately refer to three categories of persons, namely, directors and chief executives, substantial shareholders and other persons who are required to disclose their interests. Such statements should describe the capacity in which such interests and short positions are held and the nature of such interests and short positions as disclosed in the prescribed forms required to be used, when giving notice pursuant to sections 324 and 347 of Part XV of the Securities and Futures Ordinance. Where interests or short positions are attributable on account of holdings through corporations that are not wholly-owned by the person making disclosure, the percentage interests held by such person in such corporations should be disclosed.

38A. For directors and chief executives, the statements should show details of the following matters as recorded in the register required to be kept under section 352 of the Securities and Futures Ordinance:

(1) aggregate long position in shares and (in respect of positions held pursuant to equity derivatives) underlying shares and in debentures of the issuer and its associated corporation(s) showing separately for each entity:

(a) interests in shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds);

(b) interests in debentures; and

(c) interests under equity derivatives showing separately for listed and unlisted equity derivatives, interests in underlying shares of the entity pursuant to:

(i) physically settled equity derivatives;

(ii) cash settled equity derivatives;

(iii) other equity derivatives.

Notes:

(1) In the case of issuers and associated corporations, the statements should include the percentage which the aggregate long position in shares represents to the issued share capital of the issuer or associated corporation.

(2) A long position arises where a person is a party to an equity derivative, by virtue of which the person:

(i) has a right to take the underlying shares;

(ii) is under an obligation to take the underlying shares;

(iii) has a right to receive money if the price of the underlying shares increases; or

(iv) has a right to avoid or reduce a loss if the price of the underlying shares increases.

(3) For (c)(i) above, in respect of options granted to directors or chief executives pursuant to share option schemes under Chapter 23 of the GEM Listing Rules, the statements should show such details as are required to be disclosed under Rule 23.07(1) of the GEM Listing Rules.

(2) aggregate short position in shares and (in respect of positions held pursuant to equity derivatives) underlying shares and in debentures of the issuer and its associated corporation(s) showing separately for each entity:

(a) short positions in respect of shares arising under a stock borrowing and lending agreement; and

(b) short positions under equity derivatives showing separately for listed and unlisted equity derivatives, interests in underlying shares of the entity pursuant to:

(i) physically settled equity derivatives;

(ii) cash settled equity derivatives; and

(iii) other equity derivatives.

Notes:

(1) In the case of issuers or associated corporations, the statements should include the percentage which the aggregate short position in shares represents to the issued share capital of the issuer or associated corporation.

(2) A short position arises:

(i) where the person is the borrower of shares under a securities borrowing and lending agreement, or has an obligation to deliver the underlying shares to another person who has lent shares;

- (ii) where the person is the holder, writer or issuer of any equity derivatives, by virtue of which the person —*
  - (a) has a right to require another person to take the underlying shares of the equity derivatives;*
  - (b) is under an obligation to deliver the underlying shares of the equity derivatives to another person;*
  - (c) has a right to receive from another person money if the price of the underlying shares declines; or*
  - (d) has a right to avoid a loss if the price of the underlying shares declines.*

*(Note 7)*

38B. For substantial shareholders, the statements should show details of the following matters as recorded in the register required to be kept under section 336 of the Securities and Futures Ordinance:

- (1) aggregate long position in the shares and (in respect of positions held pursuant to equity derivatives) underlying shares of the issuer showing separately:
  - (a) interests in shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds); and
  - (b) interests under equity derivatives showing separately for listed and unlisted equity derivatives, interests in underlying shares of the entity pursuant to:
    - (i) physically settled equity derivatives; and
    - (ii) cash settled equity derivatives.

Notes:

- (1) The statements should include the percentage which the aggregate long position in shares represents to the issued share capital of the issuer.
- (2) A long position arises where a person is a party to an equity derivative, by virtue of which the person:
  - (i) has a right to take the underlying shares;
  - (ii) is under an obligation to take the underlying shares;
  - (iii) has a right to receive money if the price of the underlying shares increases; or
  - (iv) has a right to avoid or reduce a loss if the price of the underlying shares increases.
- (3) For (b)(i) above, in respect of options granted to substantial shareholders pursuant to share option schemes under Chapter 23 of the GEM Listing Rules, the statements should show such details as are required to be disclosed under Rule 23.07(1) of the GEM Listing Rules.

- (2) aggregate short position in shares and (in respect of positions held pursuant to equity derivatives) underlying shares of the issuer showing separately:
- (a) short positions in respect of shares arising under a stock borrowing and lending agreement; and
  - (b) short positions under equity derivatives showing separately for listed and unlisted equity derivatives, interests in underlying shares of the entity pursuant to:
    - (i) physically settled equity derivatives; and
    - (ii) cash settled equity derivatives.

Notes:

- (1) The statements should include the percentage which the aggregate short position in shares represents to the issued share capital of the issuer.
- (2) A short position arises:
- (i) where the person is the borrower of shares under a securities borrowing and lending agreement, or has an obligation to deliver the underlying shares to another person who has lent shares;
  - (ii) where the person is the holder, writer or issuer of any equity derivatives, by virtue of which the person —
    - (a) has a right to require another person to take the underlying shares of the equity derivatives;
    - (b) is under an obligation to deliver the underlying shares of the equity derivatives to another person;
    - (c) has a right to receive from another person money if the price of the underlying shares declines; or
    - (d) has a right to avoid a loss if the price of the underlying shares declines.

(Note 7)

38C. For other persons whose interests are recorded (or, in the case of a new listing, are required to be recorded) in the register required to be kept under section 336 of the Securities and Futures Ordinance, the statements should show details of the same matters as are required to be disclosed in the case of a substantial shareholder pursuant to paragraph 38B, except that note (3) to paragraph 38B(1) does not apply.

(Note 7)

## NOTES

- 6 ~~For the purposes of paragraph 38~~Particulars should be given of the extent of any duplication which occurs.
- 7 Issuers who are in any doubt as to the appropriate category in which an interest or short position should be shown ~~for the purposes of paragraph 38(2)~~, are encouraged to consult the Exchange for further guidance.
- 8 References to directors or proposed directors in paragraphs 8, 26(1), 31(2), 34, 38, 39, 40 and 43 shall also mean and include supervisors and proposed supervisors, as appropriate. For purposes of applying paragraph 38 to each supervisor of a PRC issuer, paragraph 38 should be interpreted as if ~~the SDI Ordinance~~Part XV of the Securities and Futures Ordinance applied to such persons to the same extent as directors.

# Appendix 1

## CONTENTS OF LISTING DOCUMENTS

### Part C

#### Debt Securities

##### In the case where listing is sought for debt securities

###### Information about the issuer's management

49. (1) A statement showing the interests and short positions of each director and chief executive of the issuer in the ~~equity or debt securities~~ shares, underlying shares and debentures of the issuer or any associated corporation (within the meaning of ~~the SDI Ordinance~~ Part XV of the Securities and Futures Ordinance) which:—
- (a) will have to be notified to the issuer and the Exchange pursuant to ~~section 28 of the SDI Ordinance~~ Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (including interests or short positions which he is taken or deemed to have under ~~section 31 or Part 1 of the Schedule to the SDI Ordinance~~ such provisions of the Securities and Futures Ordinance) once the issuer's securities are listed; or
  - (b) will be required, pursuant to section ~~29 of the SDI Ordinance~~ 352 of the Securities and Futures Ordinance, to be entered in the register referred to therein, once the issuer's securities are listed, or an appropriate negative statement; and
- (2) ~~Any statement showing such interests of directors and chief executives must set out the total number or amount of such securities in which each director and chief executive is interested, as recorded in the issuer's register of interests, and then separately distinguish such interests between four categories as follows:—~~
- (a) ~~Personal interests — namely those beneficial interests in securities which are registered in the name of the director or chief executive or a nominee who holds the securities on his behalf and to his order (e.g. a street name), including interests in securities which he has contracted to purchase;~~
  - (b) ~~Family interests — namely those interests in securities which a director or chief executive is deemed or taken to have under the SDI Ordinance with respect to securities in which his spouse or his child under the age of 18 years are interested;~~
  - (c) ~~Corporate interests — namely those interests in securities which a director or chief executive is deemed or taken to have under the SDI Ordinance with respect to interests of a corporation where he is either entitled to exercise (or is taken under the SDI Ordinance to be able to exercise) or control the exercise of one third or more of the voting power in general meetings of that corporation or where the corporation or its directors are accustomed to act in accordance with his directions or instructions; and~~
  - (d) ~~Other interests — namely those interests in securities which are recorded in the register but which do not fall within one of the above categories. This would include, by way of example, those interests which a director or chief executive is deemed or taken to have under the SDI Ordinance with respect to options which entitle a director or chief executive to call for the delivery of securities or to acquire an interest in~~

~~securities and any interests in securities which arise as a result of the director or chief executive being a beneficiary or trustee of a trust (and which are not included as personal interests under category (a) above).~~

~~In the case of interests which fall within categories (c) and (d) above, a note setting out the nature of such interests should be provided to assist shareholders and investors to understand how the interests arise.~~

~~(Note 7)~~

~~(2) The information required to be included by virtue of paragraph 49(1) of Appendix 1C must specify the company in which interests or short positions are held, the class to which those securities belong and the number of such securities held, but need not disclose:~~

~~(a) the interests of a director or a chief executive officer in the shares of the listed issuer or any of its subsidiaries if such interest is held solely in a non-beneficial capacity and is for the purpose of holding the requisite qualifying shares; or~~

~~(b) the non-beneficial interests of directors or chief executive officers in the shares of any subsidiary of the listed issuer in so far as that interest comprises the holding of shares subject to the terms of a written, valid and legally enforceable declaration of trust in favour of the parent company of that subsidiary or the listed issuer and such interest is held solely for the purpose of ensuring that the relevant subsidiary has more than one member.~~

~~Note: Where interests in securities arising from the holding of such securities as qualifying shares are not disclosed pursuant to the exception provided in this paragraph, a general statement should nevertheless be made to indicate that the directors hold qualifying shares.~~

~~(3) A statement showing the name, so far as is known to any director or chief executive of the issuer, of each person, other than a director or chief executive of the issuer, who has an interest or short position in the shares or underlying shares of the issuer which would fall to be disclosed to the issuer under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, or who is expected, directly or indirectly, to be interested in 10 per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the group and the amount of each of such person's interest in such securities, together with particulars of any options in respect of such capital or, if there are no such interests or short positions, an appropriate negative statement. (Note 5)~~

~~(Note 6)~~

~~(4) Statements disclosing interests and short positions in shares, underlying shares and debentures have to separately refer to three categories of persons, namely, directors and chief executives, substantial shareholders and other persons who are required to disclose their interests. Such statements should describe the capacity in which such interests and short positions are held and the nature of such interests and short positions as disclosed in the prescribed forms required to be used, when giving notice pursuant to sections 324 and 347 of Part XV of the Securities and Futures Ordinance. Where interests or short positions are attributable on account of holdings through corporations that are not wholly-owned by the person making disclosure, the percentage interests held by such person in such corporations should be disclosed.~~

49A. For directors and chief executives, the statements should show details of the following matters as recorded in the register required to be kept under section 352 of the Securities and Futures Ordinance:

- (1) aggregate long position in shares and (in respect of positions held pursuant to equity derivatives) underlying shares and in debentures of the issuer and its associated corporation(s) showing separately for each entity:
  - (a) interests in shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds);
  - (b) interests in debentures; and
  - (c) interests under equity derivatives showing separately for listed and unlisted equity derivatives, interests in underlying shares of the entity pursuant to:
    - (i) physically settled equity derivatives;
    - (ii) cash settled equity derivatives;
    - (iii) other equity derivatives.

Notes:

- (1) In the case of issuers and associated corporations, the statements should include the percentage which the aggregate long position in shares represents to the issued share capital of the issuer or associated corporation.
  - (2) A long position arises where a person is a party to an equity derivative, by virtue of which the person:
    - (i) has a right to take the underlying shares;
    - (ii) is under an obligation to take the underlying shares;
    - (iii) has a right to receive money if the price of the underlying shares increases; or
    - (iv) has a right to avoid or reduce a loss if the price of the underlying shares increases.
  - (3) For (c)(i) above, in respect of options granted to directors or chief executives pursuant to share option schemes under Chapter 23 of the GEM Listing Rules, the statements should show such details as are required to be disclosed under Rule 23.07(1) of the GEM Listing Rules.
- (2) aggregate short position in shares and (in respect of positions held pursuant to equity derivatives) underlying shares and in debentures of the issuer and its associated corporation(s) showing separately for each entity:
    - (a) short positions in respect of shares arising under a stock borrowing and lending agreement; and

- (b) short positions under equity derivatives showing separately for listed and unlisted equity derivatives, interests in underlying shares of the entity pursuant to:
  - (i) physically settled equity derivatives;
  - (ii) cash settled equity derivatives; and
  - (iii) other equity derivatives.

Notes:

(1) In the case of issuers or associated corporations, the statements should include the percentage which the aggregate short position in shares represents to the issued share capital of the issuer or associated corporation.

(2) A short position arises:

- (i) where the person is the borrower of shares under a securities borrowing and lending agreement, or has an obligation to deliver the underlying shares to another person who has lent shares;
- (ii) where the person is the holder, writer or issuer of any equity derivatives, by virtue of which the person —
  - (a) has a right to require another person to take the underlying shares of the equity derivatives;
  - (b) is under an obligation to deliver the underlying shares of the equity derivatives to another person;
  - (c) has a right to receive from another person money if the price of the underlying shares declines; or
  - (d) has a right to avoid a loss if the price of the underlying shares declines.

(Note 7)

49B. For substantial shareholders, the statements should show details of the following matters as recorded in the register required to be kept under section 336 of the Securities and Futures Ordinance:

- (1) aggregate long position in the shares and (in respect of positions held pursuant to equity derivatives) underlying shares of the issuer showing separately:
  - (a) interests in shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds); and
  - (b) interests under equity derivatives showing separately for listed and unlisted equity derivatives, interests in underlying shares of the entity pursuant to:
    - (i) physically settled equity derivatives; and
    - (ii) cash settled equity derivatives.

Notes:

- (1) The statements should include the percentage which the aggregate long position in shares represents to the issued share capital of the issuer.
  - (2) A long position arises where a person is a party to an equity derivative, by virtue of which the person:
    - (i) has a right to take the underlying shares;
    - (ii) is under an obligation to take the underlying shares;
    - (iii) has a right to receive money if the price of the underlying shares increases; or
    - (iv) has a right to avoid or reduce a loss if the price of the underlying shares increases.
  - (3) For (b)(i) above, in respect of options granted to substantial shareholders pursuant to share option schemes under Chapter 23 of the GEM Listing Rules, the statements should show such details as are required to be disclosed under Rule 23.07(1) of the GEM Listing Rules.
- (2) aggregate short position in shares and (in respect of positions held pursuant to equity derivatives) underlying shares of the issuer showing separately:
- (a) short positions in respect of shares arising under a stock borrowing and lending agreement; and
  - (b) short positions under equity derivatives showing separately for listed and unlisted equity derivatives, interests in underlying shares of the entity pursuant to:
    - (i) physically settled equity derivatives; and
    - (ii) cash settled equity derivatives.

Notes:

- (1) The statements should include the percentage which the aggregate short position in shares represents to the issued share capital of the issuer.
- (2) A short position arises:
  - (i) where the person is the borrower of shares under a securities borrowing and lending agreement, or has an obligation to deliver the underlying shares to another person who has lent shares;
  - (ii) where the person is the holder, writer or issuer of any equity derivatives, by virtue of which the person —
    - (a) has a right to require another person to take the underlying shares of the equity derivatives;
    - (b) is under an obligation to deliver the underlying shares of the equity derivatives to another person;

*(c) has a right to receive from another person money if the price of the underlying shares declines; or*

*(d) has a right to avoid a loss if the price of the underlying shares declines.*

*(Note 7)*

*49C. For other persons whose interests are recorded (or, in the case of a new listing, are required to be recorded) in the register required to be kept under section 336 of the Securities and Futures Ordinance, the statements should show details of the same matters as are required to be disclosed in the case of a substantial shareholder pursuant to paragraph 49B, except that note (3) to paragraph 49B(1) does not apply.*

*(Note 7)*

## **NOTES**

- 6 ~~For the purposes of paragraph 49~~Particulars should be given of the extent of any duplication which occurs.*
- 7 Issuers who are in any doubt as to the appropriate category in which an interest or short position should be shown ~~for the purposes of paragraph 49(2)~~, are encouraged to consult the Exchange for further guidance.*
- 8 For the purpose of paragraph 53(5) the interim statements need not be consolidated if the issuer has in the past always presented accounts on another basis.*

# Appendix 5

## FORMS RELATING TO LISTING

### FORM A

#### Application Form - Equity securities (of an issuer no part of whose share capital is already listed)

22. Issuer's and Sponsor's Declaration:

We . . . . . [Limited], the Issuer, and we . . . . . [Limited], the Sponsor, declare we have each satisfied ourselves, to the best of our respective knowledge and belief, having each made due and careful enquiries, that:-

- (a) all of the documents required by the GEM Listing Rules to be included with this application have been supplied to the Exchange;
- (b) the information supplied in this form and in the documents submitted together with this form is accurate and complete in all material respects and not misleading (save in respect of matters that cannot be ascertained as at the date of this form);
- (c) all the qualifications for listing set out in the relevant chapters of the GEM Listing Rules have, insofar as applicable and required to be met or fulfilled prior to application, been met or fulfilled in relation to the Issuer and the securities of the Issuer referred to in paragraph 6 above;
- (d) all information required to be included in the listing document by virtue of the GEM Listing Rules, the Companies Ordinance, ~~the Securities (Stock Exchange Listing) Rules~~ section 12 of the Securities and Futures (Stock Market Listing) Rules, the Code on Takeovers and Mergers and all other relevant regulations, has been included therein or, for information that cannot be ascertained as at the date of this form, will be included therein before the final version of the listing document is submitted for review;
- (e) all the requirements of the GEM Listing Rules, the Companies Ordinance, ~~the Securities (Stock Exchange Listing) Rules~~ the Securities and Futures (Stock Market Listing) Rules, the Code on Takeovers and Mergers and all other relevant regulations, insofar as applicable and required to be fulfilled at the time of application, have been fulfilled in relation to the Issuer and the securities of the Issuer referred to in paragraph 6 above;

- (f) there are no other facts bearing on the Issuer's application for listing of and permission to deal in such securities which should be disclosed to the Exchange.

22A. Issuer's authorisation for filing with the Commission

We . . . . . are required to file copies of our application with the Securities and Futures Commission ("SFC") under section 5(1) of the Securities and Futures (Stock Market Listing) Rules ("Rules"). Pursuant to section 5(2) of the Rules, we hereby authorise the Exchange to file all such materials with the SFC on our behalf as and when we file them with the Exchange.

If our securities become listed on the Exchange, we will be required to file copies of certain announcements, statements, circulars, or other documents made or issued by us or on our behalf to the public or to holders of our securities ("relevant corporate materials") with the SFC under sections 7(1) and (2) of the Rules. Pursuant to section 7(3) of the Rules, we hereby authorise the Exchange to file all such documents with the SFC on our behalf as and when we file them with the Exchange.

In this letter "application" has the meaning ascribed to it under section 2 of the Rules.

The authorisation aforementioned shall not be altered or revoked in any way unless prior written approval has been obtained from the Exchange and the Exchange shall have the absolute discretion to grant such approval. Applications and relevant corporate disclosure materials shall be filed with the Exchange in such manner and number of copies as the Exchange may from time to time prescribe. In addition, we undertake to execute such documents in favour of the Exchange perfecting the above authorisation as the Exchange may require.

# Appendix 5

## FORMS RELATING TO LISTING

### FORM B

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

17. We declare, to the best of our knowledge and belief, having made due and careful enquiries, that:—
- (a) all of the documents required by the GEM Listing Rules to be included with this application have been supplied to the Exchange;
  - (b) the information supplied in this form and in the documents submitted together with this form is accurate and complete in all material respects and not misleading (save in respect of matters that cannot be ascertained as at the date of this form);
  - (c) all the qualifications for listing set out in the relevant chapters of the GEM Listing Rules have, insofar as applicable and required to be met or fulfilled prior to application, been met or fulfilled in relation to the Issuer and the securities of the Issuer referred to in paragraph 4(b) above;
  - (d) all information required to be included in the listing document (if any) by virtue of the GEM Listing Rules, the Companies Ordinance, ~~the Securities (Stock Exchange Listing) Rules~~ the Securities and Futures (Stock Market Listing) Rules, the Code on Takeovers and Mergers and all other relevant regulations, has been included therein or, for information that cannot be ascertained as at the date of this form, will be included therein before the final version of the listing document is submitted for review;
  - (e) all the requirements of the GEM Listing Rules, the Companies Ordinance, ~~the Securities (Stock Exchange Listing) Rules~~ the Securities and Futures (Stock Market Listing) Rules, the Code on Takeover and Mergers and all other relevant regulations, insofar as applicable and required to be fulfilled at the time of application, have been fulfilled in relation to the Issuer and the securities of the Issuer referred to in paragraph 4 above; and

- (f) there are no other facts bearing on the Issuer's application for listing of and permission to deal in such securities which, in our opinion, should be disclosed to The Stock Exchange of Hong Kong Limited.

17A. We are required to file copies of our application with the Securities and Futures Commission ("SFC") under section 5(1) of the Securities and Futures (Stock Market Listing) Rules ("Rules"). Pursuant to section 5(2) of the Rules, we hereby authorise the Exchange to file all such materials with the SFC on our behalf as and when we file them with the Exchange.

If our securities become listed on the Exchange, we will be required to file copies of certain announcements, statements, circulars, or other documents made or issued by us or on our behalf to the public or to holders of our securities ("relevant corporate materials") with the SFC under sections 7(1) and (2) of the Rules. Pursuant to section 7(3) of the Rules, we hereby authorise the Exchange to file all such documents with the SFC on our behalf as and when we file them with the Exchange.

In this letter "application" has the meaning ascribed to it under section 2 of the Rules.

The authorisation aforementioned shall not be altered or revoked in any way unless prior written approval has been obtained from the Exchange and the Exchange shall have the absolute discretion to grant such approval. Applications and relevant corporate disclosure materials shall be filed with the Exchange in such manner and number of copies as the Exchange may from time to time prescribe. In addition, we undertake to execute such documents in favour of the Exchange perfecting the above authorisation as the Exchange may require.

# Appendix 5

## FORMS RELATING TO LISTING

### FORM C

#### Application Form - Debt securities

14. We declare, to the best of our knowledge and belief, having made due and careful enquiries, that:—
- (a) all of the documents required by the GEM Listing Rules to be included with this application have been supplied to the Exchange;
  - (b) the information supplied in this form and in the documents submitted together with this form is accurate and complete in all material respects and not misleading (save in respect of matters that cannot be ascertained as at the date of this form);
  - (c) all the qualifications for listing set out in the relevant chapters of the GEM Listing Rules have, insofar as applicable and required to be met or fulfilled prior to application, been met or fulfilled in relation to the Issuer and the securities of the Issuer referred to in paragraph 5 above;
  - (d) all information required to be included in the listing document (if any) by virtue of the GEM Listing Rules, the Companies Ordinance, ~~the Securities (Stock Exchange Listing) Rules~~ the Securities and Futures (Stock Market Listing) Rules, the Code on Takeovers and Mergers and all other relevant regulations, has been included therein or, for information that cannot be ascertained as at the date of this form, will be included therein before the final version of the listing document is submitted for review;
  - (e) all the requirements of the GEM Listing Rules, the Companies Ordinance, ~~the Securities (Stock Exchange Listing) Rules~~ the Securities and Futures (Stock Market Listing) Rules, the Code on Takeovers and Mergers and all other relevant regulations, insofar as applicable and required to be fulfilled at the time of application, have been fulfilled in relation to the Issuer and the securities of the Issuer referred to in paragraph 5 above; and
  - (f) there are no other facts bearing on the Issuer's application for listing of and permission to deal in such securities which, in our opinion, should be disclosed to The Stock Exchange of Hong Kong Limited. (*Note 8*)

14A. We are required to file copies of our application with the Securities and Futures Commission ("SFC") under section 5(1) of the Securities and Futures (Stock Market Listing) Rules ("Rules"). Pursuant to section 5(2) of the Rules, we hereby authorise the Exchange to file all such materials with the SFC on our behalf as and when we file them with the Exchange.

If our securities become listed on the Exchange, we will be required to file copies of certain announcements, statements, circulars, or other documents made or issued by us or on our behalf to the public or to holders of our securities ("relevant corporate materials") with the SFC under sections 7(1) and (2) of the Rules. Pursuant to section 7(3) of the Rules, we hereby authorise the Exchange to file all such documents with the SFC on our behalf as and when we file them with the Exchange.

In this letter "application" has the meaning ascribed to it under section 2 of the Rules.

The authorisation aforementioned shall not be altered or revoked in any way unless prior written approval has been obtained from the Exchange and the Exchange shall have the absolute discretion to grant such approval. Applications and relevant corporate disclosure materials shall be filed with the Exchange in such manner and number of copies as the Exchange may from time to time prescribe. In addition, we undertake to execute such documents in favour of the Exchange perfecting the above authorisation as the Exchange may require.

# 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

##### 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) under the Securities and Futures Ordinance, Part II of the Companies Ordinance (insofar as that Part relates, whether directly or indirectly, to the performance of functions by the Securities and Futures Commission in relation to prospectuses and purchase by a company of its own shares) and Part XII of the Companies Ordinance (insofar as that Part relates, whether directly or indirectly, to the performance of functions by the Securities and Futures Commission in relation to prospectuses), the Commodity Exchanges (Prohibition) Ordinance, the repealed Protection of Investors Ordinance, the repealed Securities Ordinance, the repealed Securities (Disclosure of Interests) Ordinance, the repealed Securities and Futures Commission Ordinance, the repealed Commodities Trading Ordinance, the repealed Stock Exchanges Unification Ordinance, the repealed Securities and Futures (Clearing Houses) Ordinance, the repealed Exchanges and Clearing Houses (Merger) Ordinance, the repealed Securities (Insider Dealing) 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《證券及期貨條例》、《公司條例》第II部(只在該部直接或間接涉及證券及期貨事務監察委員會履行其在招股章程及公司回購股份方面的職能之情況下)及《公司條例》第XII部(只在該部直接或間接涉及證券及期貨事務監察委員會履行其在招股章程方面的職能之情況下)、《商品交易所(禁止經營)條例》、已廢除的《保障股東條例》、已廢除的《證券條例》、已廢除的《證券(披露權益)條例》、已廢除的《證券及期貨事務監察委員會條例》、已廢除的《商品交易條例》、已廢除的《證券交易所合併條例》、已廢除的《證券及期貨(結算所)條例》、已廢除的《交易所及結算所(合併)條例》、已廢除的《證券(內幕交易)條例》、《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

.....

8. (a) (i) Have you been identified as an insider dealer pursuant to ~~the Part XIII or XIV of the Securities and Futures Ordinance or the repealed~~ Securities (Insider Dealing) Ordinance at any time?

閣下曾否在任何時候遭引用《證券及期貨條例》第XIII或XIV部或已廢除的《證券(內幕交易)條例》而被指為內幕交易者？

.....

- (ii) Has any company with which you were or are connected (as such expression is defined in ~~the Part XIII or XIV of the Securities and Futures Ordinance or the repealed~~ Securities (Insider Dealing) Ordinance) or any company for which you act or have acted as an officer been identified as an insider dealer pursuant to ~~the Part XIII or XIV of the Securities and Futures Ordinance or the repealed~~ Securities (Insider Dealing) Ordinance at any time during the period when you were or are connected and/or act or have acted as an officer?

與閣下過去或現時有關連的任何公司(按《證券及期貨條例》第XIII或XIV部或已廢除的《證券(內幕交易)條例》界定)，或閣下過去或現時曾以高級人員身份行事的任何公司，曾否在閣下與其有關連的期間，及／或以其高級人員身份行事的期間，遭引用《證券及期貨條例》第XIII或XIV部或已廢除的《證券(內幕交易)條例》而被指為內幕交易者？

.....

**Part 2**  
**第二部分**

**UNDERTAKING AND ACKNOWLEDGEMENT**  
**承諾及確認**

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：—

- (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 Securities and Futures 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》~~《證券及期貨條例》、《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；

# 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)

#### 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 under the Securities and Futures Ordinance, Part II of the Companies Ordinance (insofar as that Part relates, whether directly or indirectly, to the performance of functions by the Securities and Futures Commission in relation to prospectuses and purchase by a company of its own shares) and Part XII of the Companies Ordinance (insofar as that Part relates, whether directly or indirectly, to the performance of functions by the Securities and Futures Commission in relation to prospectuses), the Commodity Exchanges (Prohibition) Ordinance, the repealed Protection of Investors Ordinance, the repealed Securities Ordinance, the repealed Securities (Disclosure of Interests) Ordinance, the repealed Securities and Futures Commission Ordinance, the repealed Commodities Trading Ordinance, the repealed Stock Exchanges Unification Ordinance, the repealed Securities and Futures (Clearing Houses) Ordinance, the repealed Exchanges and Clearing Houses (Merger) Ordinance, the repealed Securities (Insider Dealing) 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)《證券及期貨條例》、《公司條例》第II部(只在該部直接或間接涉及證券及期貨事務監察委員會履行其在招股章程及公司回購股份方面的職能之情況下)及《公司條例》第XII部(只在該部直接或間接涉及證券及期貨事務監察委員會履行其在招股章程方面的職能之情況下)、《商品交易所(禁止經營)條例》、已廢除的《保障股東條例》、已廢除的《證券條例》、已廢除的《證券(披露權益)條例》、已廢除的《證券及期貨事務監察委員會條例》、已廢除的《商品交易條例》、已廢除的《證券交易所合併條例》、已廢除的《證券及期貨(結算所)條例》、已廢除的《交易所及結算所(合併)條例》、已廢除的《證券(內幕交易)條例》、《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

.....

8. (a) (i) Have you been identified as an insider dealer pursuant to ~~the Part XIII or XIV of the Securities and Futures Ordinance or the repealed~~ Securities (Insider Dealing) Ordinance at any time?

閣下曾否在任何時候遭引用《證券及期貨條例》第XIII或XIV部或已廢除的《證券(內幕交易)條例》而被指為內幕交易者？

.....

- (ii) Has any enterprise, company or unincorporated business enterprise with which you were or are connected (as such expression is defined in ~~the Part XIII or XIV of the Securities and Futures Ordinance or the repealed~~ Securities (Insider Dealing) Ordinance) or any enterprise, company or unincorporated business enterprise for which you act or have acted as a supervisor or as a manager been identified as an insider dealer pursuant to ~~the Part XIII or XIV of the Securities and Futures Ordinance or the repealed~~ Securities (Insider Dealing) Ordinance at any time during the period when you were or are connected and/or act or have acted as a supervisor or as a manager?

與閣下過去或現時有關連的任何企業、公司或無法人資格的企業(按《證券及期貨條例》第XIII或XIV部或已廢除的《證券(內幕交易)條例》界定)，或閣下過去或現時曾任監事或經理的任何企業、公司或無法人資格的企業，曾否在閣下與其有關連的期間，及／或出任其監事或經理的期間，遭引用《證券及期貨條例》第XIII或XIV部或已廢除的《證券(內幕交易)條例》而被指為內幕交易者？

.....

## Part 2 第二部分

### UNDERTAKING AND ACKNOWLEDGEMENT

#### 承諾及確認

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：—

- (v) comply to the best of my ability with the Companies Ordinance, ~~the Securities Ordinance, the Securities (Disclosure of Interests) Ordinance the Securities and Futures 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》、《證券及期貨條例》~~、《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

# 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)

#### 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) under the Securities and Futures Ordinance, Part II of the Companies Ordinance (insofar as that Part relates, whether directly or indirectly, to the performance of functions by the Securities and Futures Commission in relation to prospectuses and purchase by a company of its own shares) and Part XII of the Companies Ordinance (insofar as that Part relates, whether directly or indirectly, to the performance of functions by the Securities and Futures Commission in relation to prospectuses), the Commodity Exchanges (Prohibition) Ordinance, the repealed Protection of Investors Ordinance, the repealed Securities Ordinance, the repealed Securities (Disclosure of Interests) Ordinance, the repealed Securities and Futures Commission Ordinance, the repealed Commodities Trading Ordinance, the repealed Stock Exchanges Unification Ordinance, the repealed Securities and Futures (Clearing Houses) Ordinance, the repealed Exchanges and Clearing Houses (Merger) Ordinance, the repealed Securities (Insider Dealing) 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)《證券及期貨條例》、《公司條例》第II部(只在該部直接或間接涉及證券及期貨事務監察委員會履行其在招股章程及公司回購股份方面的職能之情況下)及《公司條例》第XII部(只在該部直接或間接涉及證券及期貨事務監察委員會履行其在招股章程方面的職能之情況下)、《商品交易所(禁止經營)條例》、已廢除的《保障股東條例》、已廢除的《證券條例》、已廢除的《證券(披露權益)條例》、已廢除的《證券及期貨事務監察委員會條例》、已廢除的《商品交易所條例》、已廢除的《證券交易所合併條例》、已廢除的《證券及期貨(結算所)條例》、已廢除的《交易所及結算所(合併)條例》、已廢除的《證券(內幕交易)條例》、《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

.....

8. (a) (i) Have you been identified as an insider dealer pursuant to ~~the Part XIII or XIV of the Securities and Futures Ordinance or the repealed~~ Securities (Insider Dealing) Ordinance at any time?

閣下曾否在任何時候遭引用《證券及期貨條例》第XIII或XIV部或已廢除的《證券(內幕交易)條例》而被指為內幕交易者？

.....

- (ii) Has any enterprise, company or unincorporated business enterprise with which you were or are connected (as such expression is defined in ~~the Part XIII or XIV of the Securities and Futures Ordinance or the repealed~~ Securities (Insider Dealing) Ordinance) or any enterprise, company or unincorporated business enterprise for which you act or have acted as a supervisor or as a manager been identified as an insider dealer pursuant to ~~the Part XIII or XIV of the Securities and Futures Ordinance or the repealed~~ Securities (Insider Dealing) Ordinance at any time during the period when you were or are connected and/or act or have acted as a supervisor or as a manager?

與閣下過去或現時有關連的任何企業、公司或無法人資格的企業(按《證券及期貨條例》第XIII或XIV部或已廢除的《證券(內幕交易)條例》界定)，或閣下過去或現時曾任監事或經理的任何企業、公司或無法人資格的企業，曾否在閣下與其有關連的期間，及／或出任其監事或經理的期間，遭引用《證券及期貨條例》第XIII或XIV部或已廢除的《證券(內幕交易)條例》而被指為內幕交易者？

.....

## Part 2 第二部分

### UNDERTAKING AND ACKNOWLEDGEMENT

#### 承諾及確認

- (e) comply to the best of my ability, as if the same applied to me to the same extent as it does to directors of the issuer, with: (a) ~~the Securities (Disclosure of Interests) Ordinance Part XV of the Securities and Futures Ordinance~~; (b) rules 5.40 to 5.598 of the GEM Listing Rules relating to securities transactions by directors; (c) the Code on Takeovers and Mergers; (d) the Code on Share Repurchases, and (e) all other relevant securities laws and regulations from time to time in force in Hong Kong;

盡力遵守下列條例及規則，猶如該條例適用於本人，如同其適用於公司董事般：(a)《證券(披露權益)條例》《證券及期貨條例》第XV部；(b)《創業板上市規則》第5.40至5.598條有關董事進行證券交易的規定；(c)《公司收購及合併守則》；(d)《股份購回守則》；以及(e)香港所有其他不時生效的有關證券法例與規例；

# Appendix 7

## SPONSOR'S FORMS

### FORM A

#### Application Form

8. Securities and Futures Commission registration: There is attached herewith a copy of ~~the current certificate of registration (in the name of the applicant) as an investment adviser or securities dealer under the Securities Ordinance together (if applicable) with details of any conditions relating to such certificate/a copy of the confirmation that the applicant has been declared by the Securities and Futures Commission to be an exempt dealer.\*~~:

- \*(a) the current licence (in the name of the applicant) granted by the Securities and Futures Commission pursuant to section 116(1) of the Securities and Futures Ordinance for Type 6 and other appropriate types of regulated activities; or
- (b) the current certificate of registration (in the name of the applicant) granted by the Securities and Futures Commission pursuant to section 119(1) the Securities and Futures Ordinance for Type 6 and other appropriate types of regulated activities; or
- (c) the certificate of registration as a securities dealer under the repealed Securities Ordinance, and deemed to have been licensed under section 116(1) of the Securities and Futures Ordinance; or
- (d) the certificate of registration as an investment adviser under the repealed Securities Ordinance, and deemed to have been licensed under section 116(1) of the Securities and Futures Ordinance; or
- (e) the confirmation made by the Securities and Futures Commission that the applicant has been declared to be an exempt dealer under the repealed Securities Ordinance, and deemed to be licensed or registered under section 116(1) or section 119(1) of the Securities and Futures Ordinance; and
- (f) (if applicable) with details of any conditions relating to such licence/certificate/confirmation.

**\* Delete as appropriate.**

#### NOTES:

- (7) Checklist of attachments to this form:—

*copy of licence, certificate of registration or confirmation of exempt dealer status referred to in paragraph 8; latest audited accounts of the applicant referred to in paragraph 10 and, in the case of an applicant the liabilities of which are to be guaranteed, the latest audited accounts and any subsequent published financial statements of the prospective guarantor (other than in respect of an authorised institution) and the prospective form of guarantee; audited/unaudited balance sheet(s) referred to in paragraph 10; Declarations by principal supervisors referred to in paragraph 12; Declarations by assistant supervisors referred to in paragraph 13; a non-refundable application fee in the amount specified in Appendix 9; any such details required under paragraphs 7, 8, 9, 10, 11 and 14 which have been completed on separate sheets; and a certified extract from the board minutes of the applicant authorising the submission of this form.*

# Appendix 7

## SPONSOR'S FORMS

### FORM B

#### Declaration by principal supervisor

7. Have you been convicted of any offence:—

(a) involving fraud, dishonesty or corruption?

.....

(b) ~~under the relevant Ordinances (as such term is defined in the Securities and Futures Commission Ordinance)~~under the Securities and Futures Ordinance, Part II of the Companies Ordinance (insofar as that Part relates, whether directly or indirectly, to the performance of functions by the Securities and Futures Commission in relation to prospectuses and purchase by a company of its own shares) and Part XII of the Companies Ordinance (insofar as that Part relates, whether directly or indirectly, to the performance of functions by the Securities and Futures Commission in relation to prospectuses), the Commodity Exchanges (Prohibition) Ordinance, the repealed Protection of Investors Ordinance, the repealed Securities Ordinance, the repealed Securities (Disclosure of Interests) Ordinance, the repealed Securities and Futures Commission Ordinance, the repealed Commodities Trading Ordinance, the repealed Stock Exchanges Unification Ordinance, the repealed Securities and Futures (Clearing Houses) Ordinance, the repealed Exchanges and Clearing Houses (Merger) Ordinance, the repealed Securities (Insider Dealing) Ordinance, the Bankruptcy Ordinance, the Banking Ordinance or any Ordinance relating to taxation, or any comparable legislation of other jurisdictions?

.....

(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?

.....

If so, give 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.

.....

.....

8. (a) Have you been identified as an insider dealer pursuant to ~~the~~Part XIII or XIV of the Securities and Futures Ordinance or the repealed Securities (Insider Dealing) Ordinance at any time?

.....

(b) Have you been found guilty of or been involved in insider dealing, or been held by any Court or competent authority to be in breach of any securities or financial markets laws, rules or regulations including any rules and regulations of any regulatory authority, stock exchange or futures exchange at any time?

.....

If so, give particulars.

.....  
.....

9. (a) Has any enterprise, company or unincorporated business enterprise in which you were or are a controlling shareholder (as such term is defined in the GEM Listing Rules) or were or are a supervisor, director or manager been found guilty of or been involved in insider dealing, or been held by any Court or competent authority to be in breach of any securities or financial markets laws, rules or regulations including any rules and regulations of any securities regulatory authority, stock exchange or futures exchange at any time during the period when you were or are a controlling shareholder, supervisor, director or manager?

.....

- (b) Has any enterprise, company or unincorporated business enterprise with which you were or are connected (as such expression is defined in [thePart XIII or XIV of the Securities and Futures Ordinance or the repealed](#) Securities (Insider Dealing) Ordinance) or any enterprise, company or unincorporated business enterprise for which you act or have acted as a supervisor or as a manager been identified as an insider dealer pursuant to [thePart XIII or XIV of the Securities and Futures Ordinance or the repealed](#) Securities (Insider Dealing) Ordinance at any time during the period when you were or are connected and/or act or have acted as a supervisor or as a manager?

.....

If so, give particulars.

.....  
.....

# Appendix 7

## SPONSOR'S FORMS

### FORM C

#### Declaration by assistant supervisor

6. Have you been convicted of any offence:—

(a) involving fraud, dishonesty or corruption?

.....

(b) ~~under the relevant Ordinances (as such term is defined in the Securities and Futures Commission Ordinance)~~under the Securities and Futures Ordinance, Part II of the Companies Ordinance (insofar as that Part relates, whether directly or indirectly, to the performance of functions by the Securities and Futures Commission in relation to prospectuses and purchase by a company of its own shares) and Part XII of the Companies Ordinance (insofar as that Part relates, whether directly or indirectly, to the performance of functions by the Securities and Futures Commission in relation to prospectuses), the Commodity Exchanges (Prohibition) Ordinance, the repealed Protection of Investors Ordinance, the repealed Securities Ordinance, the repealed Securities (Disclosure of Interests) Ordinance, the repealed Securities and Futures Commission Ordinance, the repealed Commodities Trading Ordinance, the repealed Stock Exchanges Unification Ordinance, the repealed Securities and Futures (Clearing Houses) Ordinance, the repealed Exchanges and Clearing Houses (Merger) Ordinance, the repealed Securities (Insider Dealing) Ordinance, the Bankruptcy Ordinance, the Banking Ordinance or any Ordinance relating to taxation, or any comparable legislation of other jurisdictions?

.....

(c) in respect of which you have, within the past 10 years, been sentenced as an adult to a period of imprisonment of 6 months or more, including suspended or commuted sentences?

.....

.....

If so, give 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.

.....

.....

7. (a) Have you been identified as an insider dealer pursuant to ~~the Part XIII or XIV of the Securities and Futures Ordinance or the repealed~~ Securities (Insider Dealing) Ordinance at any time?

.....

(b) Have you been found guilty of or been involved in insider dealing, or been held by any Court or competent authority to be in breach of any securities or financial markets laws, rules or regulations including any rules and regulations of any regulatory authority, stock exchange or futures exchange at any time?

.....

If so, give particulars.

.....  
.....

8. (a) Has any enterprise, company or unincorporated business enterprise in which you were or are a controlling shareholder (as such term is defined in the GEM Listing Rules) were or are a supervisor, director or manager been found guilty of or been involved in insider dealing, or been held by any Court or competent authority to be in breach of any securities or financial markets laws, rules or regulations including any rules and regulations of any securities regulatory authority, stock exchange or futures exchange at any time during the period when you were or are a controlling shareholder, supervisor, director or manager?

.....

- (b) Has any enterprise, company or unincorporated business enterprise with which you were or are connected (as such expression is defined in [thePart XIII or XIV of the Securities and Futures Ordinance or the repealed](#) Securities (Insider Dealing) Ordinance) or any enterprise, company or unincorporated business enterprise for which you act or have acted as a supervisor or as a manager been identified as an insider dealer pursuant to [thePart XIII or XIV of the Securities and Futures Ordinance or the repealed](#) Securities (Insider Dealing) Ordinance at any time during the period when you were or are connected and/or act or have acted as a supervisor or as a manager?

.....

If so, give particulars.

.....  
.....

## Appendix 9

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

#### 3. Transaction Levy on New Issues

- (1) A transaction levy shall be payable on each of the following transactions (in each case a “Qualifying Transaction”):—
  - (a) the subscription and/or purchase of securities of a class new to listing;
  - (b) the subscription and/or purchase of securities of a class already listed under an offer made to the public by or on behalf of a listed issuer excluding a rights issue or open offer; and
  - (c) any other transaction in securities of a class new to listing which the Exchange deems appropriate.

Generally, any transaction involving debt securities will not be deemed to be a Qualifying Transaction, unless, in the opinion of the Exchange, such debt securities are not pure debt securities or are analogous to equity securities. The transaction levy on new issues will not be payable in the case of an introduction.

- (2) The transaction levy shall be calculated at the aggregate rate of 0.007 per cent. (rounded to the nearest cent) (or such other rate or rates as specified from time to time in the Securities and Futures Commission (Levy) (Securities) Order Order and the Securities and Futures (Investor Compensation – Levy) Rules) of the total consideration payable to the issuer by a subscriber/purchaser for each security under the relevant Qualifying Transaction.
- (3)
  - (a) In the case of the subscription and/or purchase of securities, the transaction levy shall be payable by each of the issuer or vendor (as the case may be) and by the subscriber or purchaser (as the case may be).
  - (b) In the case of any other Qualifying Transaction, the transaction levy shall be payable as the Exchange shall direct.
- (4) Where the consideration under a Qualifying Transaction consists of or includes consideration other than cash, the value of the consideration on which the transaction levy is payable shall be determined by the Exchange whose decision shall be final and binding.
- (5) The transaction levy shall be paid to the Exchange before dealings commence in the relevant securities, in the manner determined by the Exchange from time to time.
- (6) The transaction levy so collected by the Exchange shall be paid to the Commission in accordance with section 52 of the Securities and Futures Commission Ordinance (Cap. 24) 394 of the Securities and Futures Ordinance.
- (7) In all cases it shall be the responsibility of the issuer whose securities are to be listed to ensure that the transaction levy is paid to the Exchange.

## **7. Transaction Levy on Offers for Sale**

A listed issuer must notify the Exchange of every purchase and sale of its listed securities made under an offer for sale by or on behalf of a substantial shareholder. Every such purchase and sale is subject to the transaction levy payable to the Commission pursuant to section ~~52 of the Securities and Futures Commission Ordinance (Cap. 24)~~394 of the Securities and Futures Ordinance. The transaction levy payable shall be paid to the Exchange by the issuer and the Exchange shall pay such amount to the Commission in accordance with that section.

## **10. General**

The Exchange reserves the right to revise any of the fees or charges prescribed above at any time, subject to the approval of the Commission pursuant to section ~~15 of the Exchanges and Clearing Houses (Merger) Ordinance and section 35 of the Stock Exchanges Unification Ordinance~~.76 and section 24 of the Securities and Futures Ordinance. The Exchange may also at its sole discretion in any specific case reduce or waive the fees or charges prescribed above, except for the transaction levy on Qualifying Transactions in respect of which any reduction or waiver must be approved in writing by the Commission.

# Appendix 11

## ADDITIONAL REQUIREMENTS IN RESPECT OF CERTAIN JURISDICTIONS

### PART A

#### Section 1

#### ADDITIONAL REQUIREMENTS FOR THE MEMORANDUM AND BYE-LAWS OF ISSUERS INCORPORATED OR OTHERWISE ESTABLISHED IN BERMUDA

(see rule 24.06(1))

In addition to the provisions of Appendix 3, the bye-laws of issuers incorporated or otherwise established in Bermuda must conform with the following provisions:—

#### **6. As to corporate representatives**

The bye-laws shall provide that if a recognised clearing house within the meaning of ~~section 2 of the Securities and Futures (Clearing Houses) Ordinance~~ Part 1 of Schedule 1 to the Securities and Futures Ordinance of Hong Kong is a member of the company it may, to the extent permitted by law, authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the company or at any meeting of any class of members of the company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee) which he represents as that clearing house (or its nominee) could exercise if it were an individual shareholder of the company, including the right to vote individually on a show of hands.

# Appendix 11

## ADDITIONAL REQUIREMENTS IN RESPECT OF CERTAIN JURISDICTIONS

### PART B

#### Section 1

#### ADDITIONAL REQUIREMENTS FOR THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF ISSUERS INCORPORATED OR OTHERWISE ESTABLISHED IN THE CAYMAN ISLANDS

(see rule 24.06(1))

In addition to the provisions of Appendix 3, the articles of association of issuers incorporated or otherwise established in the Cayman Islands must conform with the following provisions:—

#### **6. As to corporate representatives**

The articles of association shall provide that if a recognised clearing house within the meaning of ~~section 2 of the Securities and Futures (Clearing Houses) Ordinance~~ Part 1 of Schedule 1 to the Securities and Futures Ordinance of Hong Kong is a member of the company it may authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the company or at any meeting of any class of members of the company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee) which he represents as that clearing house (or its nominee) could exercise if it were an individual shareholder of the company, including the right to vote individually on a show of hands.

# Appendix 12

## Securities (Stock Exchanges Listing) Rules

### Arrangement of rules

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## **SECURITIES (STOCK EXCHANGE LISTING) RULES**

**(Cap. 333, section 14)**  
**L.N. 379/1989 and L.N. 439/1991)**  
**1 December 1989 Amended w.e.f. 31 December 1991**

### **PART I**

#### **PRELIMINARY**

##### **Citation and commencement**

**1:** These rules may be cited as the Securities (Stock Exchange Listing) Rules.

##### **Interpretation**

**2:** In these rules, unless the context otherwise requires—

“applicant” means a company which has made an application under rule 3;

“application” means an application made under rule 3 and all documents in support of the application;

“appointed day” means the appointed day as defined for the purposes of the Stock Exchanges Unification Ordinance (Cap. 361);

“chief executive”, in relation to a company, means a person employed by a company who either alone or together with one or more other persons is or will be responsible under the immediate authority of the board of directors for the conduct of the business of the company;

“company” means a company limited by shares, whether incorporated in Hong Kong or elsewhere;

“debt securities” [Repealed L.N. 439/1991]

“director”—

(a) in relation to a company, includes any person who occupies the position of a director, by whatever name called;

(b) in relation to the Commission, means a director appointed under section 5 of the Securities and Futures Commission Ordinance 1989 (Cap. 24);

“expert” means an expert within the meaning of section 38C of the Companies Ordinance (Cap. 32);

“issuer” means a company or other body whose securities are listed, or proposed to be listed, on the Unified Exchange; [Amended L.N. 439/1991]

“listing agreement” [Repealed L.N. 439/1991]

“subsidiary” means any company which is a subsidiary within the meaning of section 2 of the Companies Ordinance (Cap. 32);

~~“substantial shareholder” in relation to a company, means a person entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the company;~~

~~“working days” [Repealed L.N. 439/1991]~~

## **PART II**

### **STOCK EXCHANGE LISTING**

#### **Requirements in respect of applications for listing**

~~3: An application made by a company to the Exchange Company for the listing of any securities issued or to be issued by that applicant shall comply with the rules and requirements of the Exchange Company (except to the extent that compliance is waived or not required by the Exchange Company) and any provision of law applicable and shall contain such particulars and information which, according to the particular nature of the applicant and the securities for the listing of which application is being made, is necessary to enable an investor to make an informed assessment of the activities, assets and liabilities and financial position, of the applicant at the time of the application and its profits and losses and of the rights attaching to such securities and such application shall also—~~

~~(a) state the name of the applicant;~~

~~(b) give particulars of the numbers, classes and denominations of the securities which are the subject of the application;~~

~~(c) give particulars of the proposed manner of issue of the securities, whether by offer for sale, public subscription, private placing, introduction or otherwise;~~

~~(d) state, in so far as is known, or may be ascertained after reasonable enquiry, by the directors of the company, the name and address of any person who at the time of the application is a substantial shareholder of the company or of another company of which it is a subsidiary, and the extent of his shareholding in the applicant company or that other company;~~

~~(e) give particulars of the qualifications and experience of the directors and chief executive of the applicant;~~

~~(f) specify the purpose for which the proceeds (if any) of the issue or sale of the securities to which the application relates, or the portion thereof to be received by the applicant, are intended to be used by the applicant; and~~

~~(g) specify the qualifications of any person whose opinion as an expert is referred to in any document included in the application.~~

~~4: Repealed. [L.N. 439/1991]~~

~~5: Repealed. [L.N. 439/1991]~~

~~6: Repealed. [L.N. 439/1991]~~

#### **Exemptions from rule 3**

~~7: Nothing in rule 3 shall apply to the listing of any—~~

~~(a) securities on the Unified Exchange upon and after the appointed day, where the securities were listed on any other stock exchange in Hong Kong immediately prior to that day;~~

- ~~(b) securities issued or allotted by a capitalisation issue pro rata (apart from fractional entitlements) to existing shareholders, other than to overseas shareholders to whom they are not issued or allotted because of restrictions imposed by overseas legislation, or to any existing shareholders pursuant to a scrip dividend scheme which has been approved by the company in general meeting;~~
- ~~(c) securities offered on a pre-emptive basis, pro rata (apart from fractional entitlements) to existing holdings, to holders of the relevant class of shares in the company, other than to overseas shareholders to whom they were not offered because of restrictions imposed by overseas legislation;~~
- ~~(d) shares issued in substitution for shares listed on the Unified Exchange, if the issue of the shares does not involve any increase in the issued share capital of the company. [Amended L.N. 439/1991]~~

### **PART III**

#### **SPECIFIED PROVISIONS**

- 8:** ~~Repealed. [L.N. 439/1991]~~

### **PART IV**

#### **SUPPLEMENTARY**

#### **Suspension of dealings**

- 9:** ~~(1) Where it appears to the Commission that—~~
- ~~(a) materially false, incomplete or misleading information has been included in any:
    - ~~(i) prospectus, circular, or equivalent document, including an introduction document and a document containing proposals for an arrangement or reconstruction of a company, issued in connection with a listing of securities on the Unified Exchange; or~~
    - ~~(ii) written announcement, statement or circular issued by or on behalf of an issuer in connection with its affairs;~~~~
  - ~~(b) it is necessary or expedient in the interests of maintaining an orderly and fair market on the Unified Exchange in securities traded through the facilities of the Exchange Company;~~
  - ~~(c) it is in the interest of the investing public or in the public interest, or it is appropriate for the protection of investors generally or for the protection of investors in specified securities listed on the Unified Exchange; or~~
  - ~~(d) there has been a failure to comply with any condition imposed by the Commission under rule 10(3)(a) relating to the listing of, or dealings in, any securities;~~

~~the Commission may, by notice to the Exchange Company, direct the Exchange Company to suspend all dealings in such securities as may be specified in the notice.~~

- ~~(2) The Exchange Company shall comply forthwith with any notice given under subrule (1). [Replaced L.N. 439/1991]~~

## **Powers of the Commission upon the suspension of dealings in any securities**

10. (1) ~~An issuer which is aggrieved by the exercise of the Commission's powers under rule 9 may make representations in writing to the Commission and where an issuer makes such representations, the Commission shall notify the Exchange Company. [Amended L.N. 439/1991]~~
- (2) ~~The Exchange Company may, in respect of the exercise of the Commission's powers under rule 9, make representations in writing to the Commission irrespective of whether representations in respect of that exercise of powers have been made by an issuer under subrule (1) and where the Exchange Company makes such representations, the Commission shall notify the issuer concerned. [Amended L.N. 439/1991]~~
- (3) ~~Where the Commission has directed the Exchange Company under rule 9(1) to suspend dealings in any securities, the Commission may by notice to the Exchange Company, after considering any representations made by the issuer under subrule (1) and any representations made by the Exchange Company under subrule (2), and any further representations made by the issuer or Exchange Company-~~
- ~~(a) permit dealings in the securities to recommence subject to such conditions, if any, as the Commission may think fit to impose, being conditions of the nature specified in subrule (4); or~~
- ~~(b) direct the Exchange Company to cancel the listing of the securities on the Unified Exchange if the Commission-~~
- ~~(i) is satisfied that there has been a failure to comply with the requirements for listing set out in these rules or in any other rules made under section 14 of the Ordinance; or~~
- ~~(ii) considers that such action is necessary to maintain an orderly market in Hong Kong, and the Exchange Company shall comply forthwith with that direction. [Replaced L.N. 439/1991]~~
- (4) ~~The conditions which may be imposed under subrule (3)(a) shall be-~~
- ~~(a) where the Commission has exercised its powers under rule 9(1)(a) or (d), conditions imposed with the object of ensuring, so far as is reasonably practicable, that the issuer remedies the default by reason of which the suspension of dealings was directed:~~
- ~~Provided that the Commission shall forthwith permit such dealings unconditionally if it is of the view that there has been no such default; [Amended L.N. 439/1991]~~
- ~~(b) where the Commission has exercised its powers under rule 9(1)(b), such conditions as the Commission may consider necessary or expedient in the interests of maintaining an orderly and fair market on the Unified Exchange in securities traded through the facilities of the Exchange Company; [Amended L.N. 439/1991]~~
- ~~(c) where the Commission has exercised its powers under rule 9(1)(c), such conditions as the Commission may consider to be in the interest of the investing public or in the public interest, or to be appropriate for the protection of investors generally or for the protection of investors in specified securities listed on the Unified Exchange. [Added L.N. 439/1991]~~

- (5) In subrule (3) "further representations" means representations either in writing or orally or both in writing and orally as the issuer or Exchange Company may determine which are submitted within such reasonable time as the Commission may determine. [Amended L.N. 439/1991]
- (6) The functions of the Commission under this rule shall be exercised by a meeting of the Commission and shall not be delegable.
- (7) A director of the Commission who made the decision in the exercise of the Commission's powers under rule 9 shall not participate in the deliberations or voting of the Commission in the performance of its functions under this rule as regards that exercise of the Commission's powers. [Amended L.N. 439/1991]
- (8) Notwithstanding subrule (7), the director referred to in that subrule may attend any meeting or proceeding of the Commission in the performance of its functions under this rule as regards that exercise of the Commission's powers and may make such explanations of his decision as he thinks necessary.

#### **Provisions supplementary to rule 10**

- 11. (1) At any hearing held by the Commission to receive oral representations made to it under subrule (3) of rule 10 as read with subrule (5) thereof, the issuer and the Exchange Company shall each have the right to be represented by its counsel or solicitor. [Amended L.N. 439/1991]
- (2) Pending the decision of the Commission under rule 10(3) all dealings in the securities concerned shall continue to be suspended unless the Commission, by notice to the Exchange Company, otherwise directs, and any such direction—
  - (a) may permit such dealings subject to such reasonable conditions, if any, as the Commission thinks fit to impose;
  - (b) shall be without prejudice to the exercise by the Commission of its power under rule 10(3); and
  - (c) shall cease to have effect upon the giving of notice of that decision, and the Exchange Company shall comply with the direction. [Amended L.N. 439/1991]

#### **Restriction on relisting**

- 12. No security the listing of which has been cancelled under rule 10 shall be listed again on any Exchange Company except in accordance with Part II.

#### **Suspensions, etc. by Exchange Company to be notified to the Commission**

- 13. (1) Where the Exchange Company intends to suspend dealings in any securities it shall, where reasonably practicable, inform the Commission of its intention prior to such suspension and, if not so practicable, inform the Commission of the suspension as soon as possible after the event.
- (2) The Exchange Company, after having suspended dealings in any securities, shall not permit dealing in them to recommence without first giving notice to the Commission.
- (3) The Exchange Company shall not cancel the listing of any securities unless it gives 48 hours' notice of the intention so to do to the Commission.

### **Waiver of requirements of the rules and the specified provisions**

- 14.** (1) ~~The Commission may by notice to an applicant or an issuer, as the case may be, and the Exchange Company modify or waive, subject to such conditions, if any, as the Commission may think fit to impose, being conditions reasonable in the circumstances, the requirements of any provision of these rules where the Commission is of the opinion that:—~~
- ~~(a) the applicant or issuer, as may be appropriate, cannot comply with the provision or it would be unreasonable or unduly burdensome for it to do so;~~
  - ~~(b) the provision has no relevance to the circumstances of the applicant or issuer, as may be appropriate; or~~
  - ~~(c) compliance with the provision would be detrimental to the commercial interests of the applicant or issuer, as may be appropriate, or to the interests of the holders of its securities.~~
- (2) ~~Repealed. [L.N. 439/1991]~~

### **Notices, etc. to be in writing**

- 15.** ~~Any notice or direction under these rules shall be in writing.~~

#### **Note:**

~~The Securities (Stock Exchange Listing) (Amendment) Rules 1991 repealed the provisions of the previous rule 4 (L.N. 379/1989), whereby the Commission could object to a listing on five specified grounds. They also repealed previous rule 5, which provided for certain specified provisions in an issuer's listing agreement. The amendment rules (L.N. 439/1991), also repeal the provisions of previous rules 6, 8 and 9, whereby the Commission could direct the suspension of dealings in securities on specified grounds, and, replaced those rules with a new rule 9 which, replaces those powers with a power for the Commission to direct a suspension of dealings on the grounds that materially false, incomplete or misleading information has been issued, or on the grounds of maintaining an orderly and fair market, on public interest grounds or for failure to comply with conditions imposed by the Commission.~~

# **Appendix 12**

## **Securities and Futures (Stock Market Listing) Rules**

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### **SECURITIES AND FUTURES (STOCK MARKET LISTING) RULES**

(Made by the Securities and Futures Commission under section 36(1) of the Securities and Futures Ordinance (Cap.571) after consultation with the Financial Secretary and The Stock Exchange of Hong Kong Limited)

## **PART I**

### **PRELIMINARY**

#### **Commencement**

1. These Rules shall come into operation on the day appointed for the commencement of the Securities and Futures Ordinance (Cap.571).

#### **Interpretation**

2. In these Rules, unless the context otherwise requires —

“applicant” (申請人) means a corporation or other body which has submitted an application under section 3;

“application” (申請) means an application submitted under section 3 and all documents in support of or in connection with the application including any replacement of and amendment and supplement to the application;

“approved share registrar” (認可股份登記員) means a share registrar who is a member of an association of persons approved by the Commission under section 12;

“issuer” (發行人) means a corporation or other body the securities of which are listed, or proposed to be listed, on a recognized stock market;

“share registrar” (股份登記員) means any person who maintains in Hong Kong the register of members of a corporation the securities of which are listed, or proposed to be listed, on a recognized stock market.

## **PART II**

### **STOCK MARKET LISTING**

#### **Requirements for listing applications**

- 3.** An application for the listing of any securities issued or to be issued by the applicant shall —
- (a) comply with the rules and requirements of the recognized exchange company to which the application is submitted (except to the extent that compliance is waived or not required by the recognized exchange company);
  - (b) comply with any provision of law applicable; and
  - (c) contain such particulars and information which, having regard to the particular nature of the applicant and the securities, is necessary to enable an investor to make an informed assessment of the activities, assets and liabilities and financial position, of the applicant at the time of the application and its profits and losses and of the rights attaching to the securities.

#### **Exemptions from sections 3 and 5**

- 4.** Sections 3 and 5 do not apply to the listing of any —
- (a) securities issued or allotted —
    - (i) by a capitalization issue pro rata (apart from fractional entitlements) to existing shareholders, whether or not they are shareholders whose addresses registered in the books of the corporation are in a place outside Hong Kong and to whom the securities are not actually issued or allotted because of restrictions imposed by legislation of that place; or
    - (ii) pursuant to a scrip dividend scheme which has been approved by the corporation in general meeting;
  - (b) securities offered on a pre-emptive basis, pro rata (apart from fractional entitlements) to existing holdings, to holders of the relevant class of shares in the corporation, whether or not they are shareholders whose addresses registered in the books of the corporation are in a place outside Hong Kong and to whom the securities are not actually offered because of restrictions imposed by legislation of that place;
  - (c) shares issued in substitution for shares listed on a recognized stock market, if the issue of the shares does not involve any increase in the issued share capital of the corporation;
  - (d) shares issued or allotted pursuant to the exercise of options granted to existing employees as part of their remuneration under a scheme approved by the shareholders of the corporation in a general meeting.

#### **Copy of application to be filed with the Commission**

- 5.** (1) An applicant shall file a copy of its application with the Commission within one business day after the day on which the application is submitted to a recognized exchange company.

- (2) An applicant is regarded as having complied with subsection (1) on the day it submits the application to a recognized exchange company if, prior to or at the time of submitting the application to the recognized exchange company, the applicant has authorized the recognized exchange company in writing to file the application with the Commission on its behalf.

### **Powers of the Commission to require further information and to object to listing**

- 6.** (1) Subject to subsection (8), the Commission may, by notice to an applicant and a recognized exchange company given within 10 business days from the date the applicant files a copy of its application with the Commission (or if there is more than one such date, the latest date), require the applicant to supply to the Commission such further information as the Commission may reasonably require for the performance of its functions under these Rules.
- (2) The Commission may, within the period specified in subsection (6), by notice to an applicant and a recognized exchange company, object to a listing of any securities to which an application relates if it appears to the Commission that —
- (a) the application does not comply with a requirement under section 3;
  - (b) the application is false or misleading as to a material fact or is false or misleading through the omission of a material fact;
  - (c) the applicant has failed to comply with a requirement under subsection (1) or, in purported compliance with the requirement has furnished the Commission with information which is false or misleading in any material particular; or
  - (d) it would not be in the interest of the investing public or in the public interest for the securities to be listed.
- (3) The Commission may, within the period specified in subsection (6), notify an applicant and a recognized exchange company that —
- (a) it does not object to the listing of any securities to which an application relates; or
  - (b) it does not object to the listing of any securities to which an application relates subject to such conditions as the Commission may think fit to impose.
- (4) A recognized exchange company may list the securities to which an application relates only if —
- (a) the Commission has not, within the period specified in subsection (6), given a notice in relation to the application under subsection (2) or (3)(b);
  - (b) the Commission has given a notice in relation to the application under subsection (3)(a); or
  - (c) the conditions referred to in subsection (3)(b) in relation to the application have been complied with.
- (5) Where the Commission objects to a listing under subsection (2) or imposes any condition under subsection (3)(b), the objection or imposition shall take effect immediately.

- (6) The period specified for the purposes of subsections (2), (3) and (4) is 10 business days —
- (a) where the Commission has not given a notice under subsection (1) in relation to the application, from the date the applicant files a copy of the application with the Commission (or if there is more than one such date, the latest date); or
  - (b) where the Commission has given a notice under subsection (1) in relation to the application, from the date when the further information is supplied.
- (7) A notice given under subsection (2) shall be accompanied by a statement specifying the reasons for the objection.
- (8) The Commission shall not give any notice to an applicant under subsection (1) after —
- (a) it has given a notice in relation to the application under subsection (3)(a); or
  - (b) the conditions referred to in subsection (3)(b) in relation to the application have been complied with.

### **Copy of ongoing disclosure materials to be filed with the Commission**

- 7.** (1) An issuer shall file with the Commission a copy of any announcement, statement, circular, or other document made or issued by it or on its behalf to the public or to a group of persons comprising members of the public (including its shareholders) —
- (a) under the rules and requirements of a recognized exchange company or any provision of law applicable; or
  - (b) pursuant to the terms of any listing agreement between the issuer and a recognized exchange company under the rules of the recognized exchange company.

within one business day following the day on which such announcement, statement, circular or other document is made or issued.

- (2) A person shall file with the Commission a copy of any announcement, statement, circular or other document made or issued by the person or on his behalf to the public or to a group of persons comprising members of the public (including holders of the securities of an issuer) under any codes published by the Commission under section 399(2)(a) and (b) of the Ordinance within one business day following the day on which such announcement, statement, circular or other document is made or issued.
- (3) An issuer or a person is regarded as having complied with subsection (1) or (2) if the issuer or the person has —
- (a) filed with the recognized exchange company concerned; and
  - (b) authorized the recognized exchange company in writing to file with the Commission on behalf of the issuer or the person, as the case may be,

a copy of the relevant announcement, statement, circular or other document.

## **PART III**

### **SUSPENSION OF DEALINGS**

#### **Suspension of dealings in securities**

8. (1) Where it appears to the Commission that —
- (a) any materially false, incomplete or misleading information has been included in any —
    - (i) document (including but not limited to any prospectus, circular, introduction document and document containing proposals for an arrangement or reconstruction of a corporation) issued in connection with a listing of securities on a recognized stock market; or
    - (ii) announcement, statement, circular or other document made or issued by or on behalf of an issuer in connection with its affairs;
  - (b) it is necessary or expedient in the interest of maintaining an orderly and fair market in securities traded through the facilities of a recognized exchange company on the recognized stock market it operates;
  - (c) it is in the interest of the investing public or in the public interest, or it is appropriate for the protection of investors generally or for the protection of investors in any securities listed on a recognized stock market; or
  - (d) there has been a failure to comply with any condition imposed by the Commission under section 9(3)(c),

the Commission may, by notice to the recognized exchange company, direct the recognized exchange company to suspend all dealings in any securities specified in the notice.

- (2) The recognized exchange company shall comply with any notice given under subsection (1) without delay.

#### **Powers of the Commission upon the suspension under this Part of dealings in any securities**

9. (1) An issuer which is aggrieved by a direction given by the Commission under section 8 may make representations in writing to the Commission and where an issuer makes such representations, the Commission shall notify the recognized exchange company.
- (2) In respect of a direction given by the Commission under section 8, the recognized exchange company may make representations in writing to the Commission irrespective of whether representations in respect of that direction have been made by an issuer under subsection (1) and where the recognized exchange company makes such representations, the Commission shall notify the issuer.
- (3) Where the Commission has —
- (a) directed a recognized exchange company to suspend dealings in any securities under section 8(1); and

- (b) considered any —
  - (i) representations made by the issuer under subsection (1);
  - (ii) representations made by the recognized exchange company under subsection (2); and
  - (iii) further representations made by the issuer or the recognized exchange company.

the Commission may, by notice to the recognized exchange company —

- (c) permit dealings in the securities to recommence subject to such conditions as the Commission may think fit to impose, being conditions of the nature specified in subsection (4); or
- (d) direct the recognized exchange company to cancel the listing of the securities on a recognized stock market operated by it if the Commission —
  - (i) is satisfied that there has been a failure to comply with any requirement in respect of listing set out in these Rules or in any other rules made under section 36 of the Ordinance; or
  - (ii) considers that the cancellation of the listing is necessary to maintain an orderly market in Hong Kong,

and the recognized exchange company shall comply with the direction without delay.

(4) The conditions which may be imposed under subsection (3)(c) are —

- (a) where the Commission has given a direction under section 8(1)(a) or (d), conditions imposed with the object of ensuring, so far as is reasonably practicable, that the issuer remedies the default by reason of which the suspension of dealings was directed;
- (b) where the Commission has given a direction under section 8(1)(b), such conditions as the Commission may consider necessary or expedient in the interest of maintaining an orderly and fair market in securities traded through the facilities of the recognized exchange company mentioned in that section;
- (c) where the Commission has given a direction under section 8(1)(c), such conditions as the Commission may consider to be in the interest of the investing public or in the public interest, or to be appropriate for the protection of investors generally or for the protection of the investors mentioned in that section.

(5) In subsection (3), “further representations” (進一步申述) means representations either in writing or orally or both in writing and orally as the issuer or the recognized exchange company may determine which are submitted within such reasonable time as the Commission may determine.

(6) The powers of the Commission under this section may only be exercised by a meeting of the Commission and are not delegable.

- (7) A member of the Commission who made the decision in the exercise of the Commission 's powers under section 8 shall not participate in the deliberations or voting of the Commission in the performance of its functions under this section as regards that exercise of the Commission 's powers.
- (8) Notwithstanding subsection (7), the member of the Commission referred to in that subsection may attend any meeting or proceeding of the Commission in the performance of its functions under this section as regards the exercise of the Commission 's powers under section 8 and may make such explanations of his decision as he thinks necessary.

#### **Provisions supplementary to sections 8 and 9**

- 10.** (1) At any hearing held by the Commission to receive oral representations made to it under section 9(3)(b)(iii), the issuer and the recognized exchange company each have the right to be represented by its counsel or solicitor.
- (2) If representations are made under section 9(1) or (2) against a direction made under section 8(1) then, pending the decision of the Commission under section 9(3), all dealings in the securities concerned shall remain suspended.

#### **Restriction on re-listing**

- 11.** No security the listing of which has been cancelled under section 9(3)(d) shall be listed again on a recognized stock market except in accordance with Part 2.

### **PART IV**

#### **APPROVED SHARE REGISTRARS**

##### **Approval of share registrars**

- 12.** (1) The Commission may approve an association of persons as an association each of whose members shall be an approved share registrar for the purposes of these Rules.
- (2) The Commission may cancel the approval of any association of persons approved under subsection (1).
- (3) The Commission shall maintain a list of associations of persons approved under subsection (1).

##### **Securities not to be listed where approved share registrar not employed**

- 13.** No application made by a corporation to a recognized exchange company for the listing of any securities issued or to be issued by that applicant shall be approved by the recognized exchange company unless the applicant is an approved share registrar or employs an approved share registrar as its share registrar.

##### **Suspension of dealings on cessation of employment, etc. of approved share registrar**

- 14.** (1) Where —
- (a) the securities of a corporation are listed on a recognized stock market; and

- (b) the corporation ceases either to be an approved share registrar or to employ an approved share registrar as its share registrar.

the recognized exchange company shall give the corporation a notice of its intention to suspend dealings in the securities of the corporation unless, before the date specified in the notice, being 3 months after the date on which the recognized exchange company first learned of such cessation or 21 days from the date of the notice, whichever is the later, the corporation becomes an approved share registrar or employs an approved share registrar as its share registrar.

- (2) Where the corporation fails to comply with the requirement stated in the notice given under subsection (1), the recognized exchange company shall suspend dealings in the securities of the corporation.
- (3) The Commission may require a recognized exchange company to give notice under subsection (1) to a corporation which has ceased either to be an approved share registrar or to employ an approved share registrar as its share registrar if, in the opinion of the Commission, the recognized exchange company has failed or neglected to do so within a reasonable time, and the recognized exchange company shall comply with the requirement without delay.
- (4) A recognized exchange company which has suspended dealings in the securities of any corporation under subsection (2) shall permit the recommencement of dealings in those securities when it is satisfied that the corporation has become an approved share registrar or has employed an approved share registrar as its share registrar.

#### **Power to exempt**

- 15.** (1) The Commission may exempt all or any particular class of securities issued by a corporation specified in a notice under subsection (2) from all or any of the provisions of this Part.
- (2) An exemption granted under subsection (1) shall be notified by the Commission to the corporation specified in the notice and to the recognized exchange company which operates the recognized stock market on which the exempted class of securities is, or is proposed to be, listed.
- (3) The Commission may withdraw any exemption granted under subsection (1), and the withdrawal shall be notified in the same manner as an exemption is required to be notified under subsection (2).
- (4) Where an exemption in respect of any securities of a corporation has been withdrawn under subsection (3), the recognized exchange company shall suspend dealings in those securities unless —
  - (a) at the date of notification of the withdrawal, the corporation is an approved share registrar or employs an approved share registrar as its share registrar; or
  - (b) within 3 months after the date of notification of the withdrawal, the corporation becomes an approved share registrar or employs an approved share registrar as its share registrar.

### **Appeal against suspension**

- 16.** (1) Where a recognized exchange company suspends dealings in the securities of a corporation under section 14 or 15(4) the corporation may, within 21 days of the suspension, appeal in writing to the Commission against the suspension.
- (2) An appeal under subsection (1) shall be accompanied by such submissions in writing as the corporation wishes to make.
- (3) On any appeal under subsection (1), the Commission may —
- (a) dismiss the appeal;
  - (b) direct the recognized exchange company to permit the recommencement of dealings in the securities; or
  - (c) direct the recognized exchange company to permit the recommencement of dealings in the securities subject to such conditions as the Commission thinks fit.

## **PART V**

### **MISCELLANEOUS**

#### **Waiver of requirements of Parts 2 and 3**

- 17.** The Commission may, by notice to an applicant or an issuer and a recognized exchange company, modify or waive, subject to such reasonable conditions as the Commission may think fit to impose, any requirement of Parts 2 and 3 where the Commission is of the opinion that —
- (a) the applicant or issuer, as the case may be, cannot comply with the requirement or it would be unreasonable or unduly burdensome for the applicant or issuer to do so;
  - (b) the requirement has no relevance to the circumstances of the applicant or issuer, as the case may be; or
  - (c) compliance with the requirement would be detrimental to the commercial interests of the applicant or issuer, as the case may be, or to the interests of the holders of its securities.

#### **Suspensions, etc. by a recognized exchange company to be notified to the Commission**

- 18.** (1) If a recognized exchange company intends to suspend dealings in any securities it shall, where reasonably practicable, inform the Commission of its intention prior to such suspension or, if not so practicable, inform the Commission of the suspension as soon as possible after the suspension.
- (2) If a recognized exchange company, after having suspended dealings in any securities, intends to permit dealings in the securities to recommence, it shall, where reasonably practicable, inform the Commission of its intention to permit dealings to recommence or, if not so practicable, inform the Commission as soon as possible after permitting dealings to recommence.
- (3) A recognized exchange company shall not cancel the listing of any securities unless it gives the Commission at least 48 hours' notice of its intention to do so.

- (4) This section applies only to the suspension of dealings in any securities or the cancellation of dealings in any securities by a recognized exchange company other than in accordance with a direction of the Commission under section 8 or 9.

**Notices, etc. to be in writing**

- 19.** Any notice or direction under these Rules shall be in writing.

**Transitional**

- 20.** (1) Where —

(a) before the commencement of these Rules, any power could have been, but was not, exercised under rule 9 or 10 of the Securities (Stock Exchange Listing) Rules (Cap.333 sub. leg.) which has been repealed under section 406 of the Ordinance (“the repealed Rules”); or

(b) before such commencement any power has been exercised under any provision referred to in paragraph (a), and the exercise of the power would, but for the commencement, continue to have force and effect on or after such commencement,

then —

(c) (i) where paragraph (a) applies, the power may be exercised; or

(ii) where paragraph (b) applies, the exercise of the power shall continue to have force and effect,

as if the repealed Rules had not been repealed; and

(d) the provisions of the repealed Rules shall continue to apply to the exercise of the power and to any matters relating thereto (including any right to make representations in respect of the exercise of the power under rule 9) as if the repealed Rules had not been repealed.

- (2) Subject to subsection (3), where before the commencement of these Rules, an application is made under rule 3 of the repealed Rules and immediately before such commencement the application has not been approved, refused or withdrawn, the application shall upon such commencement be treated as an application under section 3 and the provisions of these Rules (except section 3) shall apply accordingly.

- (3) Section 5 shall apply only to any part of an application submitted on or after the commencement of these Rules.

**Andrew Len Tao SHENG**  
*Chairman,*  
*Securities and Futures Commission*

9 December 2002

### **Explanatory Note**

These Rules are made by the Securities and Futures Commission under section 36(1) of the Securities and Futures Ordinance (Cap.571). The Rules —

- (a) prescribe certain requirements to be met before securities may be listed, including requirements for applications for the listing of securities and the employment of approved share registrars;
- (b) provide for the cancellation of the listing of securities if the requirements are not met;
- (c) prescribe the circumstances in which and the conditions subject to which a recognized exchange company shall suspend dealings in securities;
- (d) provide for the filing with the Commission of copies of applications for the listing of securities and information disclosed to the public by issuers and certain other persons; and
- (e) provide for other requirements to be complied with by a recognized exchange company.