

(Extract)

Chapter 2

GENERAL

Fees and other charges

2.26 Of relevance to issuers, the details of the initial listing fee, annual listing fee, subsequent issue fee and other charges, together with details of the brokerage charge, ~~and~~ transaction levies and trading fees on new issues are set out in Appendix 9. In addition, of relevance to Sponsors, Appendix 9 sets out details of the application fee and review fee.

Appendix 9

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

3. Transaction Levy on New Issues

- (2) The transaction levy shall be calculated ~~to the nearest cent~~ at the rate of 0.00722 per cent (rounded to the nearest cent)(or such other rate as specified from time to time in the Securities and Futures Commission (Levy)(Securities) Order) ~~the Exchange, with the approval of the Commission pursuant to section 35 of the Stock Exchanges Unification Ordinance may from time to time determine~~ 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 ~~as to one half~~ by each of the issuer or vendor (as the case may be) and ~~as to the other half~~ 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 prescribed determined by the Exchange from time to time. ~~All transaction levies paid to the Exchange shall be split between the Exchange and the Commission in the same proportion as the levy payable under Section 52 of the Securities and Futures Commission Ordinance is split 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).

(76) 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.

4. Trading fee on New Issues

(1) A trading fee shall be payable on every Qualifying Transaction. 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 trading fee on new issues will not be payable in the case of an introduction.

(2) The trading fee shall be calculated at the rate of 0.005 per cent. (rounded to the nearest cent) of the amount of the consideration payable to the issuer by a subscriber/purchaser for each security under the relevant Qualifying Transaction or such other rate determined by the Exchange from time to time.

(3) (a) In the case of the subscription and/or purchase of securities, the trading fee 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 trading fee shall be payable in the manner determined by the Exchange from time to time.

(4) Where the consideration under a Qualifying Transaction consists of or includes consideration other than cash, the value of the consideration on which the trading fee is payable shall be determined by the Exchange whose decision shall be final and binding.

(5) The trading fee 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) In all cases it shall be the responsibility of the issuer whose securities are to be listed to ensure that the trading fee is paid to the Exchange.

54. Sponsors

(1) An applicant seeking admission to the list of Sponsors maintained by the Exchange must pay an initial

application fee of HK\$30,000, in advance, at the same time as it submits the prescribed form of application, in accordance with rule 6.08. This initial application fee is not refundable.

- (2) If a Sponsor wishes to continue to be included on the list of Sponsors or is otherwise obliged under its existing commitments to any listed issuer to continue to act as a Sponsor, it must pay a review fee of HK\$10,000, in advance, at the same time as it submits the prescribed review form in accordance with rule 6.29(1). This review fee is not refundable and covers a period of 12 months of review.
- (3) In the event that the Exchange exercises its power to review a Sponsor's continued inclusion on the list of Sponsor at any time prior to the anniversary of the date on which the Sponsor was first included on such list or the anniversary of the date on which the Sponsor was last reviewed, the Exchange reserves a right to charge the review fee on a pro rata basis for any period for which the review fee is unpaid. Such fee shall be payable within 7 days of receiving a debit note.

6.5. Brokerage

- (1) In respect of every Qualifying Transaction, brokerage will be payable by the person subscribing for or purchasing the securities at a rate of 1% of the subscription or purchase price.
- (2) In respect of every successful application form for securities to be issued, sold or disposed of which bears the chop of an Exchange Participant of the Exchange through whom such application is actually made or arranged, the brokerage paid by the applicant in respect of that application form shall be passed on by the issuer to that Exchange Participant by way of a cheque made payable to that Exchange Participant which shall be sent to the Exchange who will forward it to that Exchange Participant.
- (3) In respect of every successful application form for securities to be issued, sold or disposed of which does not bear the chop of an Exchange Participant of the Exchange and in respect of every successful preferential application form the brokerage paid in respect of the application form shall be passed on by the issuer to the

Exchange by way of a cheque made payable to the Exchange which will retain such amount.

- (4) Brokerage which would be payable in respect of any securities taken up by an underwriter or sub-underwriter in accordance with a normal underwriting or sub-underwriting agreement may be retained by such underwriter or sub-underwriter.

76. 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 under section 52 of the Securities and Futures Commission Ordinance (Cap. 24). The transaction levy payable which shall be paid to the Exchange by the issuer and the Exchange shall pay such amount to the Commission in accordance with that section.

8. Trading Fee on Offers for Sale

- (1) A trading fee shall be payable to the Exchange by the issuer on every purchase and sale of listed securities made under an offer for sale by or on behalf of a substantial shareholder.
- (2) The trading fee shall be calculated at the rate of 0.005 per cent. (rounded to the nearest cent) of the amount of the consideration and shall be payable by each of the vendor and the purchaser. The trading fee shall be payable in the manner determined by the Exchange from time to time.

97. Teletext Charges

- (1) For the purpose of trading, one teletext page of the Computer Trading System as installed in the Exchange shall be assigned for the use of the trading of listed securities of an issuer.
- (2) The issuer by reason of paying the prescribed annual listing fee is entitled to the use of up to one teletext page in the case of equity securities. However, an issuer is only entitled to a maximum of one free teletext page in the case of equity securities no matter how many classes of listed equity securities the issuer may have.

- (3) Where an issuer by reason of listing more than one class of equity securities occupies more than one teletext page, such issuer shall pay an additional teletext charge at a rate of HK\$2,000 per month or part thereof per additional teletext page used.
- (4) No charge is payable for the use of teletext pages for debt securities.
- (5) Debit notes will be issued in relation to any additional teletext charges which become payable during the year. Such charges will be payable in advance and are payable within seven days from receipt of the debit note.

108. 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. 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.