



**香港聯合交易所**  
**The Stock Exchange of Hong Kong**

**NEWS RELEASE**

November 26, 1999

**The Exchange clarifies position on early  
disposal of management shares in GEM companies**

Under the GEM Listing Rules, the Stock Exchange of Hong Kong has the discretion to waive the restrictions on initial management shareholders disposing of their shares in GEM companies.

The GEM Listing Rules provide that initial management shareholders may not dispose of their interest in a GEM company for two years after listing.

However, under Rule 13.17(5) of the GEM Listing Rules, the Exchange may reduce the moratorium period to six months or other period that it considers desirable, if it is satisfied that the initial management shareholders are able to justify their level of commitment to the development of the company's business. The flexibility to exercise this power lies with the GEM Listing Committee which is a widely representative body comprising market participants including investors, brokers, financial advisors, professionals and issuers.

Since GEM is still a new market, there will be a period of adjustment of the regulatory framework before the full rules are finalised.

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Corporate Communications Department

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