



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

NEWS RELEASE

May 23, 2000

**The Exchange issues a consultation paper on
certain areas of the GEM Listing Rules**

The Stock Exchange of Hong Kong, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited, today (Tuesday) issued a consultation paper the GEM Listing Rules.

The consultation is conducted following the Exchange's undertakings in the joint press announcement made by the Securities and Futures Commission and the Exchange on March 11, 2000.

The Exchange proposes a number of amendments to the GEM Listing Rules, including:

1. reduce the moratorium period for the initial management shareholders;
2. remove the prohibition on listed issuers to issue new shares within six months of listing (subject to certain conditions and safeguard measures);
3. reduce the minimum active business pursuits period and the period to be covered by the accountants' report;
4. relax certain rules relating to share option schemes (subject to certain safeguard measures and additional disclosure requirements);
5. whether a mandatory public subscription tranche should be imposed on all GEM initial public offerings; and
6. the need for any revenue or profit requirement for GEM.

The market consultation aims to bring the GEM Listing Rules more in line with the rules of the other international stock exchanges and to accommodate the needs of some of the hi-tech companies that intend to list on GEM.

Following the consultation, the Exchange will revise the relevant provisions of the GEM Listing Rules to reflect the market's views.

Copies of the consultation paper have been despatched to GEM listed issuers and market practitioners on May 23, 2000. Additional copies are available at the office of the Exchange at 11/F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong. The consultation paper can also be viewed at or downloaded from GEM's web site at <http://www.hkgem.com>.

Interested parties should convey their views to the Exchange by June 30, 2000.

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Corporate Communications Department

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香港聯合交易所有限公司 The Stock Exchange of Hong Kong Limited

(香港交易及結算所有限公司全資附屬公司 A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

香港中環港景街一號國際金融中心一期11樓 11/F., One International Finance Centre, 1 Harbour View Street, Central, Hong Kong

電話 Telephone: 2522 1122 圖文傳真 Facsimile: 2845 3554