



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

NEWS RELEASE

16 August 2000

**GEM recognised by SEC as designated
offshore securities market**

The United States Securities and Exchange Commission has confirmed that GEM, the Growth Enterprise Market, is a designated offshore securities market as defined by Regulation S of the US Securities Act. This is because GEM is part of the Stock Exchange of Hong Kong.

Regulation S provides safe harbours for offers and sales of securities by issuers and others in offshore transactions and to non-US persons without registration under the US Securities Act. Accordingly, re-sales of shares on GEM by persons who are not issuers, distributors or their affiliates qualify as offshore transactions under the Act.

Shares that are restricted securities under the U.S. Securities Act may generally be resold on GEM without the seller having to determine whether the buyer is in the United States or is a US person, as would otherwise be the case.

The practical effect of this designation is that all shares listed on GEM may generally be resold in and outside US to US and non-US persons without restrictions under the US Securities Act.

It also means that issuers with shares traded on GEM for at least 12 months, qualify for exemption from the prohibition against the distribution of research reports during offerings under the US Securities Act, subject to other criteria being satisfied.

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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)

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