

Chapter 19A

EQUITY SECURITIES

ISSUERS INCORPORATED IN THE PEOPLE'S REPUBLIC OF CHINA

Preliminary

19A.01 [Repealed 1 August 2023]

19A.02 The Exchange Listing Rules apply as much to PRC issuers as they do to Hong Kong issuers. This Chapter sets out the additional requirements, modifications and exceptions which apply to PRC issuers seeking or maintaining a primary listing on the Exchange. Rules 19.01 to 19.61 (inclusive) do not apply in the case of such PRC issuers.

19A.02A The Exchange may exercise its power under rule 2.04 to waive, modify or not require compliance with an Exchange Listing Rule for a PRC issuer with, or seeking, a listing under this chapter on a case by case basis. For PRC issuers with, or seeking, a dual primary listing under this chapter, the Exchange will consider applications for waivers from strict compliance with an Exchange Listing Rule based on the underlying principle that the issuer can demonstrate that strict compliance with both the relevant Exchange Listing Rule and the regulations of the other exchange of primary listing would be unduly burdensome or unnecessary (including where the requirements under the Exchange Listing Rules contradict the applicable overseas laws or regulations and strict compliance with the Exchange Listing Rules would result in a breach of applicable overseas laws or regulations) and that the granting of such waivers by the Exchange will not prejudice the interest of the investing public.

19A.03 [Repealed 1 August 2023]

Definitions and Interpretation

19A.04 The following terms, save where the context otherwise requires, have the following meanings:—

“close associate”

for a PRC issuer:—

- (a) in relation to an individual means:—
 - (i) his spouse;
 - (ii) any child or step-child, natural or adopted, under the age of 18 years of the individual or of his spouse (together with (a)(i) above, the “family interests”);
 - (iii) the trustees, acting in their capacity as such trustees, of any trust of which he or any of his family interests is a beneficiary or, in the case of a discretionary trust, is (to his knowledge) a discretionary object;
 - (iv) [Repealed 3 June 2010]
 - (v) any company (including an equity joint venture established under PRC law) in the equity capital of which he, his family interests, and/or any of the trustees referred to in (a)(iii) above, acting in their capacity as such trustees, taken together are directly or indirectly interested so as to exercise or control the exercise of 30% (or any amount specified in applicable PRC law as the level for triggering a mandatory general offer or for otherwise establishing legal or management control over a business enterprise) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any subsidiary of this company; and

(vi) any company with which or individual with whom he, his family interests, and/or any of the trustees referred to in (a)(iii) above, acting in their capacity as such trustees, taken together are directly or indirectly interested in a cooperative or contractual joint venture (whether or not constituting a separate legal person) under PRC law where he, his family interests, and/or any of the trustees referred to in (a)(iii) above, acting in their capacity as such trustees, taken together directly or indirectly have 30% (or any amount specified in applicable PRC law as the level for triggering a mandatory general offer or for otherwise establishing legal or management control over a business enterprise) or more interest either in the capital and/or assets contributions to such joint venture or in the contractual share of profits or other income from such joint venture; and

(b) in relation to a company means:—

- (i) its subsidiary or holding company or a fellow subsidiary of its holding company;
- (ii) the trustees, acting in their capacity as trustees, of any trust of which the company is a beneficiary or, in the case of a discretionary trust, is (to the company's knowledge) a discretionary object;
- (iii) [Repealed 3 June 2010]

- (iv) any other company (including an equity joint venture established under PRC law) in the equity capital of which the company, its subsidiary or holding company, a fellow subsidiary of its holding company, and/or any of the trustees referred to in (b)(ii) above, acting in their capacity as such trustees, taken together are directly or indirectly interested so as to exercise or control the exercise of 30% (or any amount specified in applicable PRC law as the level for triggering a mandatory general offer or for otherwise establishing legal or management control over a business enterprise) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any subsidiary of this other company; and
- (v) any other company with which or any individual with whom the company, its subsidiary or holding company, a fellow subsidiary of its holding company, and/or any of the trustees referred to in (b)(ii) above, acting in their capacity as such trustees, taken together are directly or indirectly interested in a cooperative or contractual joint venture (whether or not constituting a separate legal person) under PRC law where it, its subsidiary or holding company, a fellow subsidiary of its holding company, and/or any of the trustees referred to in (b)(ii) above, acting in their capacity as such trustees, taken together directly or indirectly have 30% (or any amount specified in applicable PRC law as the level for triggering a mandatory general offer or for otherwise establishing legal or management control over a business enterprise) or more interest either in the capital and/or assets contributions to such joint venture or in the contractual share of profits or other income from such joint venture.

“Company Law”

the Company Law (公司法) of the PRC adopted at the Fifth Session of the Standing Committee of the Eighth National People’s Congress on 29 December 1993 and effective from 1 July 1994, as amended, supplemented or otherwise modified from time to time

“H shares”

shares of a PRC issuer which are listed on the Exchange

“Hong Kong register”

for a PRC issuer, the part of its register of members located and maintained in Hong Kong pursuant to its articles of association

“PRC”

for purposes of the Exchange Listing Rules, the People’s Republic of China, other than the regions of Hong Kong, Macau and Taiwan

**“PRC Governmental Body”
(中國政府機關)**

for purposes of rules 19A.14 and 19A.19, includes (but not limited to)

- (a) PRC Central Government, including the State Council of the PRC (中國國務院), State Ministries and Commissions (國家部委), Bureaus and Administrations directly under the State Council (國務院直屬機構), State Council Offices and Institutions (國務院辦事機構及直屬國務院事業單位), Bureaus supervised by State Ministries and Commissions (國家部委代管局);
- (b) PRC Provincial-level Governments, including Provincial Governments (省政府), Municipalities directly under the Central Government (直轄市) and Autonomous Regions (自治區), together with their respective administrative arms, agencies and institutions.

- (c) PRC local governments immediately under the PRC Provincial-level Governments, including prefectures (區), municipalities (市) and counties (縣), together with their respective administrative arms, agencies and institutions.

Note: For clarity, entities under the PRC Government that are engaging in commercial business or operating another commercial entity will be excluded from this definition.

“PRC issuer”

an issuer which is duly incorporated in the PRC as a joint stock limited company (股份有限公司)

“PRC law”

the applicable provisions of the PRC constitution, or any statute, ordinance, regulation, rule or normative statement from time to time in force in the PRC, as the context may require

“PRC stock exchange”

the Shanghai Stock Exchange or the Shenzhen Stock Exchange or the Beijing Stock Exchange

“promoter”

as to any PRC issuer, any person who undertook the establishment of such issuer, subscribed for shares of such issuer and assumes liability for such issuer’s establishment, prepared the initial articles of association of such issuer and convened the inaugural meeting of the subscribers of shares of such issuer, or any person who performed a similar role under PRC law in the establishment of a PRC issuer

“supervisor”

a member elected to the supervisory committee (監事會) of a PRC issuer which under PRC law performs a supervisory function in relation to such issuer’s board of directors, the manager and other officers

Chapter 3 — Authorised Representatives, Directors, Board Committees And Company Secretary

19A.04A In addition to the requirements under rule 3.09B, every director of a PRC issuer must also, in the exercise of his powers and duties as a director of the PRC issuer:

- (1) comply to the best of his ability with all applicable laws, rules, regulations and normative statements (規範聲明) from time to time in force in the PRC relating to the governing, operation, conduct or regulation of public companies in the PRC or elsewhere;
- (2) comply to the best of his ability with the provisions of the PRC issuer's articles of association (including all provisions regarding the duties of directors) and use his best endeavours to procure the PRC issuer to act at all times in accordance with its articles of association;
- (3) inform the Exchange forthwith and in writing, at any time while he is a director of the PRC issuer (or within 12 months of his ceasing to be a director of the PRC issuer), of any administrative or governmental notice or proceeding alleging a breach by the PRC issuer or any of its subsidiaries or directors of any applicable laws, rules, regulations or normative statements (規範聲明) in force in the PRC relating to the governing, operation, conduct or regulation of public companies; and
- (4) use his best endeavours to procure any alternate of his to comply with the provisions set out in rule 19A.04A (1) to (3) and rule 3.09B (1), (2) and (4).

19A.04B Every supervisor of a PRC issuer must, in the exercise of his powers and duties as a supervisor of the PRC issuer:

- (1) comply to the best of his ability with all applicable laws, rules, regulations and normative statements (規範聲明) from time to time in force in the PRC relating to the responsibilities, duties and obligations of a supervisor in connection with the governing, operation, conduct or regulation of public companies in the PRC or elsewhere;
- (2) comply to the best of his ability with the provisions of the PRC issuer's articles of association (including all provisions regarding the duties of supervisors) and use his best endeavours to procure the PRC issuer and its directors to act at all times in accordance with its articles of association;
- (3) use his best endeavours to procure the PRC issuer and its directors to comply with the Listing Rules, the Takeovers Code, the Share Buy-backs Code and all other relevant securities laws and regulations from time to time in force in Hong Kong;

- (4) inform the Exchange forthwith and in writing, at any time while he is a supervisor of the PRC issuer, of the initiation by the PRC issuer's supervisory committee of legal proceedings against any director of the PRC issuer;
- (5) comply to the best of his ability, as if the same applied to supervisors to the same extent as it does to directors, with Parts XIVA and XV of the Securities and Futures Ordinance, the Model Code set out in Appendix C3 to the Listing Rules, the Takeovers Code, the Share Buy-backs Code, and all other relevant securities laws and regulations from time to time in force in Hong Kong; and
- (6) use his best endeavours to procure that any alternate of his to comply with the provisions set out in (1) to (5) above.

19A.04C The requirements under rules 3.09A, 3.09C and 3.20 shall apply to every supervisor of a PRC issuer with the term "director" being replaced by "supervisor".

19A.05 [Repealed 1 August 2023]

19A.06 [Repealed 1 August 2023]

19A.07 [Repealed 1 August 2023]

19A.07A In the case of a PRC issuer, the requirements of rules 3.09A and 3.20 also apply to supervisors of the issuer with the term "directors" replaced by "supervisors".

19A.07B In the case of a PRC issuer, references to directors in rules 13.67 and 13.68 shall also mean and include supervisors.

Chapter 4 — Accountants' Reports and Pro Forma Financial Information

19A.08 The reporting accountants for a PRC issuer must normally be qualified and be independent to the same extent as required under rule 4.03 for the reporting accountants of any other issuer. The Exchange also accepts, under the mutual recognition agreement, a PRC firm of practising accountants which has been approved by the China Ministry of Finance and the China Securities Regulatory Commission as being suitable to act as an auditor or a reporting accountant for a PRC incorporated company listed in Hong Kong on the condition that the PRC issuer has adopted CASBE for the preparation of its annual financial statements. Such a PRC firm of practising accountants must be independent to the same extent as required under rule 4.03 for the reporting accountants of any other issuer.

Notes:

1. *The mutual recognition agreement means the agreement between the Mainland of China and Hong Kong in 2009 for mutual recognition of qualified auditors from either jurisdiction (home jurisdiction) to act as auditors of corporations incorporated in the home jurisdiction and listed in the other jurisdiction.*

2. *Where the preparation of an accountants' report constitutes a PIE Engagement under the AFRCO, that PRC firm of practising accountants must also be regulated under the AFRCO and be a Recognised PIE Auditor under section 202T of the AFRCO.*

19A.09 A report will not normally be regarded as acceptable unless the relevant accounts have been audited to a standard comparable to that required in Hong Kong or under International Standards on Auditing or China Auditing Standards.

19A.10 Reports for PRC issuers will normally be required to conform with the requirements as to accounting standards set out in rules 4.11 to 4.13.

19A.11 As indicated in rules 4.14 to 4.16, where the figures in the accountants' report differ from those in the audited annual accounts, a statement of adjustments must be submitted to the Exchange enabling the figures to be reconciled.

Chapter 6 — Trading Halt, Suspension, Cancellation and Withdrawal of Listing

19A.12 The references in rules 6.11, 6.12, 6.15 and 6.16 to shareholders shall be construed to mean holders of H shares.

Chapter 8 — Qualifications for Listing

19A.13 The following modifications and additional requirements apply:—

- (1) the Exchange reserves the right, in its absolute discretion, to refuse a listing of securities of a PRC issuer if it believes that it is not in the public interest to list them;
- (2) the PRC issuer must appoint, and maintain throughout the period its securities are listed on the Exchange the appointment of, a person authorised to accept service of process and notices on its behalf in Hong Kong, and must notify the Exchange of his appointment and any termination of his appointment and details of:—
 - (a) his address for service of process and notices;
 - (b) if different, his place of business or, if he does not maintain a place of business, his residential address;
 - (c) his business or residential telephone number, as the case may be;
 - (d) his email address and facsimile number (if available); and
 - (e) any change in the above particulars;

Note: The person appointed under this rule may also be the person authorised to accept service required to be appointed under Part 16 of the Companies Ordinance, if applicable.

- (3) (a) in the case of registered securities (other than those transferable by endorsement and delivery), provision must be made for a register of holders to be maintained in Hong Kong, or such other place as the Exchange may agree, and for transfers to be registered locally. The Exchange may, however, consider an alternative proposal for registering transfers for Hong Kong holders in exceptional circumstances; and
- (b) in the case of bearer securities, provision must be made for the payment of dividends or interest and repayment of capital in Hong Kong, or such other place as the Exchange may agree;
- (4) unless the Exchange otherwise agrees, only securities registered on the Hong Kong register may be traded on the Exchange;
- (5) where two or more share registers are maintained it will not be necessary for the Hong Kong register to contain particulars of the shares registered on any other register; and

19A.13A Rule 8.08 is amended by adding the following provision to sub-paragraph (1)(b):

Where a PRC issuer has shares apart from the H shares for which listing is sought, the total securities of the issuer held by the public (on all regulated market(s) including the Exchange) at the time of listing must be at least 25% of the issuer's total number of issued shares (excluding treasury shares). However, the issuer's H shares (for which listing is sought) must represent at least 15% of its total number of issued shares (excluding treasury shares), having an expected market capitalisation at the time of listing of not less than HK\$125,000,000.

19A.13B For new applicants which are PRC issuers, the reference to "each class of securities for which listing is sought" in rule 8.09(3) shall mean H shares to be listed on the Exchange.

19A.14 Under rule 8.10, the Exchange requires a new applicant to make disclosure where it has a controlling shareholder or a director with an interest in a business apart from the new applicant's business which competes or is likely to compete, either directly or indirectly, with the new applicant's business. In this connection, in the case of a new applicant which is a PRC issuer, "controlling shareholder" means any shareholder or other person or group of persons together entitled to exercise, or control the exercise of 30% (or such other amount as may from time to time be specified in applicable PRC law as being the level for triggering a mandatory general offer or for otherwise establishing legal or management control over a business enterprise) or more of the voting power at general meetings of the new applicant (*Note*) or who is in a position to control the composition of a majority of the board of directors of the new applicant. For the purposes of this rule, the Exchange will normally not consider a PRC Governmental Body (see definition in rule 19A.04) as a "controlling shareholder" of a PRC issuer.

Note: Voting rights attaching to treasury shares are excluded.

19A.15 The requirement in rule 8.12 for sufficient management presence in Hong Kong, including that normally at least two of the new applicant's executive directors must be ordinarily resident in Hong Kong, shall apply except as otherwise permitted by the Exchange in its discretion. Where the new applicant wants to apply for a waiver from the requirement of rule 8.12, it must make a written submission for the Exchange's consideration. In exercising such discretion the Exchange will have regard to, among other considerations, the new applicant's arrangements for maintaining regular communication with the Exchange.

19A.16 [Repealed 1 January 2012]

19A.17 Rules 8.19, 8.20 and 13.26(1) only apply to H shares of a PRC issuer.

19A.18 (1) In addition to the requirements of Chapter 3, the independent non- executive directors of a PRC issuer must also be able to demonstrate an acceptable standard of competence and adequate commercial or professional experience to ensure that the interests of the general body of shareholders will be adequately represented. Moreover, at least one of the independent non-executive directors must be ordinarily resident in Hong Kong.

(2) Supervisors of a PRC issuer must have the character, experience and integrity and be able to demonstrate a standard of competence commensurate with their position as supervisors. The Exchange may request further information regarding the background, experience, other business interests or character of any supervisor or proposed supervisor.

19A.19 [Repealed 1 August 2023]

Chapter 9 — Application Procedures and Requirements

19A.20 [Repealed 1 October 2013]

19A.21 (1) [Repealed 2 November 2009]

(2) [Repealed 31 December 2023]

19A.22 [Repealed 2 November 2009]

19A.22A [Repealed 1 August 2023]

19A.22B [Repealed 1 March 2019]

19A.23 [Repealed 2 November 2009]

Chapter 10 — Restrictions on Purchase and Subscription

19A.24 A PRC issuer may purchase its own shares on the Exchange and hold them as treasury shares in accordance with the provisions of this rule and rules 10.05 and 10.06. Although the share repurchase provisions of rules 10.05 and 10.06 normally apply to a PRC issuer's equity securities which are listed on the Exchange and which are or are proposed to be purchased on the Exchange, when seeking shareholders' approval to make purchases of such securities on the Exchange or when reporting such purchases, a PRC issuer should provide information on the proposed or actual purchases of any or all of its equity securities, whether or not listed or traded on the Exchange. Therefore, in the case of a PRC issuer, rule 10.06(6)(c) is amended and restated in its entirety to read as follows:

- (c) for the purposes of rules 10.05, 10.06 and 19A.24, "shares" shall mean shares of all classes listed on the Exchange and securities listed on the Exchange which carry a right to subscribe or purchase shares of the PRC issuer, provided that references to "shares" in rules 10.06(1)(b), 10.06(4) and 10.06B shall also include shares of all classes listed on any stock exchange and securities that are listed on any stock exchange which carry a right to subscribe or purchase shares of such PRC issuer, and provided further that the Exchange may waive the requirements of those rules in respect of any fixed participation shares which are, in the opinion of the Exchange, more analogous to debt securities than equity securities. References to purchases of shares include purchases by agents or nominees on behalf of the PRC issuer or subsidiary of the PRC issuer, as the case may be.

19A.25 (1) [Repealed 1 August 2023]

- (2) For a PRC issuer, rule 10.06(1)(b)(vii) is restated in its entirety as follows:—

- (vii) a statement as to the consequences of any purchases which will arise under either or both of the Takeovers Code and any similar applicable law of which the directors are aware, if any;

- (3) For a PRC issuer, the reference to "10 per cent. of the number of issued shares (excluding treasury shares) of the issuer" in rule 10.06(1)(c)(i) shall mean "10 per cent. of the total number of issued H shares (excluding treasury shares) of the PRC issuer".

Chapter 11 — Listing Documents

19A.26 [Repealed 1 August 2023]

19A.27 The following modifications and additional requirements apply to the contents of listing documents:

- (1) some of the items of information specified in Appendices D1A and D1B may be inappropriate. In such a case, the item should be appropriately adapted so that equivalent information is given;
- (2) the listing document must contain a summary of all provisions of the constitutive documents of the PRC issuer in so far as they may affect shareholders' rights and protection and directors' powers (using, and covering at the least, the same subject headings as required under the attachment to Appendix D1A);
- (3) the listing document must contain a summary of the relevant PRC law in a form to be agreed upon by the Exchange on a case by case basis and in the Exchange's absolute discretion; and

Note: In general the relevant PRC law to be summarized normally would be expected to cover matters such as taxation on the PRC issuer's income and capital, tax (if any) deducted on distributions to shareholders, foreign exchange controls or restrictions, company law, securities regulations or other relevant laws or regulations, and any PRC law which regulates or limits the PRC issuer's major business(es) or the industry in which it mainly operates.

- (4) the documents to be published on the Exchange's website and the issuer's own website will be the documents corresponding to those mentioned in paragraph 53 of Appendix D1A and paragraph 43 of Appendix D1B. Unless otherwise provided by the Companies (Winding Up and Miscellaneous Provisions) Ordinance, where any such documents are not in the English language, certified English translations thereof must be published on the Exchange's website and the issuer's own website. In addition, where rule 19A.27(3) applies, the PRC issuer must publish on the Exchange's website and the issuer's own website a copy of any statutes or regulations which are relevant to the summary of relevant PRC law. In particular cases, the Exchange may require other additional documents to be published on the Exchange's website and the issuer's own website.

19A.27A Rules 19A.27(2) and (3) do not apply to listing documents issued by listed issuers unless they are issued in connection with an introduction or a deemed new listing under the Exchange Listing Rules.

Chapter 13 – Continuing Obligations

19A.28 [Repealed 1 August 2023]

19A.29 [Repealed 1 August 2023]

19A.29A The reference to “every member” in rule 13.46(2) shall mean and refer to only registered holders of the PRC issuer’s H shares.

Annual report and accounts and auditors’ report

19A.30 The following modifications and additional requirements apply to Appendix D2 insofar as an issuer is a PRC issuer. To the extent such modifications and additional requirements conflict with the provisions of Appendix D2, the following provisions shall apply.

19A.31 The annual accounts must be audited by a person, firm or company who must be a practising accountant of good standing. Such person, firm or company must also be independent of the PRC issuer to the same extent as that required of an auditor under the Companies Ordinance and in accordance with the requirements on independence issued by the International Federation of Accountants and, if the PRC issuer’s primary listing is or is to be on the Exchange, must be:

- (1) a Registered PIE Auditor under the AFRCO; or
- (2) an overseas firm of practising accountants that is a Recognised PIE Auditor of that issuer under the AFRCO; or
- (3) [Repealed 1 January 2022]
- (4) under the mutual recognition agreement, a PRC firm of practising accountants which has been approved by the China Ministry of Finance and the China Securities Regulatory Commission as being suitable to act as an auditor or a reporting accountant for a PRC incorporated company listed in Hong Kong and is a Recognised PIE Auditor under section 20ZT of the AFRCO on the condition that the PRC issuer has adopted CASBE for the preparation of its annual financial statements.

Notes:

1. *In relation to an application for the recognition of an overseas firm of practising accountants under the AFRCO, on a request made by a PRC issuer, the Exchange may provide a statement of no objection to that issuer for appointing an overseas firm of practising accountants to carry out a PIE Engagement for that issuer under section 20ZF(2)(a) of the AFRCO (see note 2 to rule 4.03(1)).*

2. *The mutual recognition agreement referred to in (4) above means the agreement between the Mainland of China and Hong Kong in 2009 for mutual recognition of qualified auditors from either jurisdiction (home jurisdiction) to act as auditors of corporations incorporated in the home jurisdiction and listed in the other jurisdiction.*

- 19A.32 The accounts must be audited to a standard comparable to that required in Hong Kong or under International Standards on Auditing or China Auditing Standards.
- 19A.33 The report of the auditors must be annexed to all copies of the annual accounts required to be sent by the PRC issuer and indicate whether in the opinion of the auditors the accounts give a true and fair view:
- (1) in the case of the PRC issuer's balance sheet, of the state of its affairs at the end of the financial year and in the case of the PRC issuer's profit and loss account, of the profit or loss and in the case of the PRC issuer's cash flow statement, of the cash flows for the financial year; and
 - (2) in the case where consolidated accounts are prepared, of the state of affairs, the profit or loss, and the cash flows of the PRC issuer and the group of which the PRC issuer is the holding company.
- 19A.34 The report of the auditors must indicate the act, ordinance or other legislation in accordance with which the annual accounts have been drawn up and the authority or body whose auditing standards have been applied.
- 19A.35 If the PRC issuer is not required to draw up its accounts so as to give a true and fair view but is required to draw them up to an equivalent standard, the Exchange may allow its accounts to be drawn up to that standard. Reference must, however, be made to the Exchange.
- 19A.36 [Repealed 1 August 2023]
- 19A.37 An auditors' report in a different form may be applicable in the case of banking and insurance companies. The wording of such an auditors' report should make it clear whether or not profits have been stated before transfers to or from undisclosed reserves.

Pre-emptive rights

- 19A.38 For a PRC issuer, the references to shareholder(s) that is/are resident outside Hong Kong in rule 13.36(2)(a) and note 2 to rule 13.36(2)(a) shall mean shareholder(s) that is/are resident outside the PRC and Hong Kong.

Chapter 14 — Notifiable Transactions

19A.38A Rule 14.07(4) is amended by adding the following provisions:

Where the shares of a PRC issuer (other than H shares) are listed on a PRC stock exchange, the market capitalisation of its PRC listed shares is to be determined based on the average closing price of those shares for the 5 days on which trading is conducted on the relevant PRC stock exchange immediately preceding the transaction.

Where a PRC issuer has issued unlisted shares, the market capitalisation of its unlisted shares is calculated by reference to the average closing price of its H shares for the 5 business days preceding the transaction.

19A.39 [Repealed 1 August 2023]

Despatch of circular and listing document

19A.39A [Repealed 1 August 2023]

19A.39B [Repealed 1 August 2023]

Chapter 17 — Share Schemes

19A.39C The Exchange may waive the exercise price requirement under rule 17.03E for a share option scheme of a PRC issuer dually listed on the Exchange and a PRC stock exchange, provided that: (i) the scheme involves only shares listed on the PRC stock exchange; and (ii) the scheme contains provisions to ensure that the exercise price of the options is no less than the prevailing market price of the relevant shares on the PRC stock exchange at the time of grant of the options.

19A.39D For a PRC issuer, rule 17.01(4) is restated in its entirety as follows:

In this chapter 17, references to new shares or new securities of a PRC issuer include its treasury shares listed on the Exchange, and references to the issue of shares or securities include the transfer of treasury shares listed on the Exchange.

19A.39E For a PRC issuer, a share scheme funded by its treasury shares not listed on the Exchange is subject to rule 17.12. The transfer of treasury shares not listed on the Exchange to a connected person pursuant to such scheme may be exempt as a de minimis transaction under rule 14A.76.

Listing Fees

19A.40 [Repealed 1 August 2023]

Appendix D1A

Contents of Listing Documents where listing is sought for equity securities of a PRC issuer no part of whose share capital is already listed on the Exchange

19A.41 References to directors or proposed directors in paragraphs 13, 28(1), 33(2), 41, 45(1), 46(1), 46(2), 46(3), 47(1), 47(2) and 49(1) in Appendix D1A shall also mean and include supervisors and proposed supervisors, as appropriate.

Note: For purposes of applying paragraph 45(1) to each supervisor of a PRC issuer, paragraph 45(1) should be interpreted as if Part XV of the Securities and Futures Ordinance applied to such persons to the same extent as directors.

19A.42 Appendix D1A is further supplemented by adding below paragraph 53 thereof, but before the Notes thereto, the following new caption heading and new paragraphs 54 to 65:

“Additional information on PRC issuers

54. Where a public or private issue or placing of securities of the PRC issuer other than H shares is being made simultaneously with the issue of H shares in Hong Kong or is proposed to be made as part of such issuer's share issue plan which was approved at the inaugural meeting or any shareholders' meeting of the issuer:—
- (1) information concerning such securities and such issue or placing, including the information described in paragraphs 11, 15, 17, 20, 22, 25, 48, 49 and 50;
 - (2) a statement of whether or not such issue plan has been approved by the China Securities Regulatory Commission (or if no such approval is required, whether the PRC issuer has completed the filing of its issue plan with the China Securities Regulatory Commission where applicable) and the timetable for the share issues under such plan, and if such plan has not been approved or the requisite filing procedures have not been completed, when such approval or completion of the filing procedures is expected (as the case may be);
 - (3) a statement of whether or not the issue in Hong Kong is conditional (in whole or in part) on such issue or placing of securities;
 - (4) a description of the effect on the PRC issuer's future plans, prospects and financial condition (including profit forecast, if any) if such issue or placing of securities is not being completed in the manner described in the listing document or if the approval or the completion of filing of the share issue plan referred to in (2) above does not take place by the expected date;

- (5) if such securities are not admitted for listing on any stock exchange, a statement of whether there is (or is proposed to be) trading or dealing in such securities on any other authorised trading facility;
 - (6) a breakdown of the PRC issuer's shares issued or proposed to be issued; and
 - (7) information concerning each legal person or individual expected to hold shares other than H shares constituting 10% or more of the existing issued share capital (excluding treasury shares) of the PRC issuer upon the completion of such issue or placing of shares other than H shares, and the number of shares other than H shares to be held by each such legal person or individual.
55. Where any securities of the PRC issuer are already issued and outstanding:—
- (1) information concerning such securities, including the information described in paragraphs 11, 23 and 25;
 - (2) if such securities are not admitted for listing on any stock exchange, a statement of whether there is trading or dealing in such securities on any other authorised trading facility;
 - (3) a breakdown of the PRC issuer's shares already issued; and
 - (4) information concerning each legal person or individual holding such securities constituting 10% or more of the existing issued share capital (excluding treasury shares) of the PRC issuer, and the number of shares held by each such legal person or individual.
56. Particulars of the quorum and voting requirements for general meetings of shareholders.
57. Particulars of the legal form(s) and enabling PRC law under which the PRC issuer operated at any time during the trading record period under rule 8.05 and prior to its conversion into a joint stock limited company.
58. In regard to every company referred to in paragraph 29(1) which is an equity joint venture or which operates as or under a cooperative or contractual joint venture, particulars of the joint venture arrangement including the names of all joint venture partners; their respective capital contributions and percentage interests in the profits, dividends or other distributions of the joint venture; the term of the joint venture; any pre-emption rights of the joint venture partners and other restrictions on the sale, assignment or transfer of a partner's interest in the joint venture; arrangements concerning the management of the joint venture's business and operations; any special supply, production or licensing arrangements involving any of the joint venture partners; provisions on termination of the joint venture; and any other material terms of the joint venture contract.

- 59. [Repealed 1 August 2023]
- 60. Particulars of the tax rates applicable to the PRC issuer's income or profits during the trading record period under rule 8.05 and in the next three years, including any preferential tax rates or exemptions.
- 61. A statement of whether or not the PRC issuer will have sufficient foreign exchange to pay forecasted or planned dividends on H shares and to meet its foreign exchange liabilities as they become due, with particulars of the anticipated sources of such foreign exchange.
- 62. [Repealed 1 August 2023]
- 63. [Repealed 1 August 2023]
- 64. [Repealed 1 August 2023]
- 65. [Repealed 1 August 2023]

Appendix D1B

Contents of Listing Documents where listing is sought for equity securities of a PRC issuer some part of whose share capital is already listed on the Exchange

19A.43 References to directors or proposed directors in paragraphs 8,26(1), 31(2), 34, 38(1), 39, 40(1) and 40(2) in Appendix D1B shall also mean and include supervisors and proposed supervisors, as appropriate.

Note: For purposes of applying paragraph 38(1) to each supervisor of a PRC issuer, paragraph 38(1) should be interpreted as if Part XV of the Securities and Futures Ordinance applied to such persons to the same extent as directors.

19A.44 Appendix D1B is further supplemented by adding below paragraph 43 thereof, but before the Notes thereto, the following new caption heading and new paragraphs 44 and 47:

"Additional information on PRC issuers

44. Where a public or private issue or placing of securities of the PRC issuer other than H shares is being made simultaneously with the issue of H shares in Hong Kong or is proposed to be made prior to the end of three months after the issue of the listing document in Hong Kong:—
- (1) information concerning such securities and such issue or placing, including the information described in paragraphs 6,10,11,12,14 and 17;
 - (2) a statement of whether or not the issue in Hong Kong is conditional (in whole or in part) on such issue or placing of securities, and if not conditional, a description of the effect on the PRC issuer's future plans, prospects and financial condition (including profit forecast, if any) as a result of such issue or placing of securities not being completed in the manner described in the listing document;
 - (3) if such securities are not admitted for listing on any stock exchange, a statement of whether there is (or is proposed to be) trading or dealing in such securities on any other authorised trading facility;
 - (4) a breakdown of the PRC issuer's shares issued or proposed to be issued; and
 - (5) information concerning each legal person or individual expected to hold shares other than H shares constituting 10% or more of the existing issued share capital (excluding treasury shares) of the PRC issuer upon the completion of such issue or placing of shares other than H shares, and the number of shares other than H shares to be held by each such legal person or individual.
45. [Repealed 3 June 2010]
46. [Repealed 3 June 2010]
47. [Repealed 1 August 2023]
48. [Repealed 3 June 2010]
49. [Repealed 3 June 2010]
50. [Repealed 3 June 2010]

Appendix 3 — Articles of Association or equivalent constitutional documents

19A.45 [Repealed 1 August 2023]

19A.46 [Repealed 1 January 2022]

19A.47 [Repealed 1 January 2022]

19A.48 [Repealed 1 January 2022]

19A.49 [Repealed 1 January 2022]

Other Requirements Applicable to PRC Issuers

19A.50 [Repealed 1 August 2023]

19A.50A [Repealed 1 August 2023]

19A.51 A PRC issuer shall appoint one or more receiving agents in Hong Kong and pay to such agents dividends declared and other monies owing in respect of securities listed on the Exchange to be held, pending payment, in trust for the holders of such securities.

19A.52 [Repealed 1 August 2023]

19A.53 [Repealed 1 August 2023]

19A.54 [Repealed 1 August 2023]

19A.55 [Repealed 1 August 2023]

19A.56 [Repealed 1 August 2023]

General

19A.57 All documents furnished by a PRC issuer, including accounts, which are in a language other than English must be accompanied by a certified English translation. If the Exchange so requires, an additional translation must be prepared in Hong Kong at the PRC issuer's expense by such person or persons as the Exchange shall specify.

19A.58 Information to be supplied by PRC issuers in a listing document or accounts notwithstanding any obligation in the Exchange Listing Rules, the Statutory Rules or any obligation imposed by the laws of Hong Kong shall not be less than that required to be supplied by the PRC issuer under applicable PRC law.