

GEM LISTING RULE AMENDMENTS
(Effective from 1 January 2013)

Chapter 1

GENERAL

INTERPRETATION

1.01 Throughout this book, the following terms, save where the context otherwise requires, have the following meanings:

“GEM Listing Rules” or “GLR” or “Rules” the rules governing the listing of securities on GEM made by the Exchange from time to time

“inside information” has the meaning defined in the Securities and Futures Ordinance as amended from time to time

Note: Where the Exchange interprets whether a piece of information is inside information in the context of enforcing the GEM Listing Rules, e.g. rules 13.11(4) and 23.05, it will be guided by decisions of the Market Misconduct Tribunal and published guidelines of the Commission.

“Inside Information Provisions” Part XIVA of the Securities and Futures Ordinance

“Securities and Futures Ordinance” or “SFO” the Securities and Futures Ordinance (Cap. 571) as amended from time to time

“trading halt” an interruption of trading in an issuer’s securities requested or directed pending disclosure of information under the Rules and extending for no more than two trading days

Note: Where a trading halt exceeds two trading days, it will automatically become a trading suspension.

Chapter 2

GENERAL

INTRODUCTION

General principles

2.06 The GEM Listing Rules are designed to ensure that investors have and can maintain confidence in the market and in particular that:—

- (2) ...
- (3) investors and the public are kept fully informed by listed issuers and, in the case of a guaranteed issue, the guarantors of all material factors which might affect their interests—~~and in particular that immediate disclosure is made of any information which might reasonably be expected to have a material effect on market activity in, and the prices of, listed securities;~~
- (4) ...

Characteristics of GEM

2.13 The GEM Listing Rules require, and emphasise the on-going need for, comprehensive and timely disclosure of relevant information by all ~~listed~~ issuers. In this regard, particular attention is drawn to the following matters:—

- (2) ...
- (3) ~~Rule 17.10 sets out the general obligation of disclosure which applies to all listed issuers without prejudice to the specific instances requiring disclosure as set out in other provisions of Chapter 17 or elsewhere in the GEM Listing Rules;~~ [Repealed 1 January 2013]
- (4) The directors of an issuer are collectively and individually responsible for ensuring the issuer's full compliance with ~~the disclosure obligations and all other obligations imposed upon issuers under the GEM Listing Rules;~~ and
- (5) ...

Chapter 5

GENERAL

DIRECTORS, SECRETARY AND CORPORATE GOVERNANCE MATTERS

Securities transactions by directors

Basic principles

- 5.50 The single most important thrust of the required standard of dealings is that directors who are aware of or privy to any negotiations or agreements related to intended acquisitions or disposals which are notifiable transactions under Chapter 19 or connected transactions under Chapter 20 of the GEM Listing Rules or any ~~price sensitive~~ inside information must refrain from dealing in the issuer's securities as soon as they become aware of them or privy to them until ~~the information has been announced~~ proper disclosure of the information in accordance with the requirements of Chapter 16. Directors who are privy to relevant negotiations or agreements or any inside ~~price sensitive~~ information should caution those directors who are not so privy that there may be ~~unpublished price sensitive~~ inside information and that they must not deal in the issuer's securities for a similar period.

Absolute prohibitions

- 5.54 A director must not deal in any of the securities of the issuer at any time when he possesses inside ~~is in possession of unpublished price sensitive~~ information in relation to those securities, or where clearance to deal is not otherwise conferred upon him under rule 5.61.

Note: "Price sensitive information" means information described in rule 17.10 and the notes thereunder. In the context of this rule, rule 17.10(3) and its notes 11 and 13 are of particular relevance.

- 5.55 A director must not deal in the securities of an issuer listed on GEM or the Main Board when by virtue of his position as a director of another issuer, he possesses inside ~~is in possession of unpublished price sensitive~~ information in relation to those securities.

Notification

- 5.61 A director must not deal in any securities of the ~~listed~~ issuer without first notifying in writing the chairman or a director (other than himself) designated by the board for the specific purpose and receiving a dated written acknowledgement... The designated director must not deal in any securities of the ~~listed~~ issuer without first notifying the chairman and receiving a dated written acknowledgement...

Note: For the avoidance of doubt, the restriction under rule 5.54 applies if ~~in~~ ~~the event that price-sensitive~~ inside information develops following the grant of clearance.

- 5.66 The directors of the issuer must as a board and individually endeavour to ensure that any employee of the issuer or director or employee of a subsidiary company who, because of his office or employment in the company or a subsidiary, is likely to possess inside ~~be in possession of unpublished~~ price sensitive information in relation to the securities of any issuer on GEM or the Main Board does not deal in those securities ~~at a time~~ when he would be prohibited from dealing by the required standard of dealings if he were a director.

Chapter 6A

SPONSORS AND COMPLIANCE ADVISERS

Sponsor's declaration

- 6A.15 Having made reasonable due diligence inquiries, each Sponsor must confirm that it has reasonable grounds to believe and does believe that:

- (4)
- (5) the new applicant has established procedures, systems and controls (including accounting and management systems) which are adequate having regard to the obligations of the new applicant and its directors under to comply with the GEM Listing Rules and other relevant legal and regulatory requirements (in particular rules 17.10, 17.11, 18.03, 18.49 and 18.53 to 18.64 and Chapters 19 and 20, and the Inside Information Provisions) and which are sufficient to enable the new applicant's directors to make a proper assessment of the financial position and prospects of the new applicant and its subsidiaries, both before and after listing; and
- (6) ...

Chapter 9

GENERAL

TRADING HALT, SUSPENSION AND RESUMPTION OF DEALINGS, CANCELLATION AND WITHDRAWAL OF LISTING

General

- 9.01 Listing is always granted subject to the condition that, where the Exchange considers it necessary for the protection of investors or the maintenance of an orderly market, it may, at any time, halt, suspend or direct the resumption of dealings in an securities or cancel the listing of any securities in such circumstances and subject to such conditions as it thinks fit, whether requested by the issuer or not.

Trading halt or Ssuspension

- 9.03 An issuer shall endeavour to avoid any trading halt or suspension of dealings in its securities.

Notes: 1 Recourse to a trading halt or suspension should only be made where necessary in the interests of all parties.

2 In many cases the appropriate course of action, which the Exchange expects all issuers to follow so far as reasonably practicable, will be for the issuer to publish an announcement ~~in order~~ to avoid the need for a trading halt or suspension.

3 ~~In circumstances w~~ Where a detailed announcement may take time to prepare, the issuer should, subject to rules 19.37 and 20.47 concerning announcements ~~in respect~~ of notifiable and connected transactions, consider making a short announcement to disclose information which is or may be inside information of a price sensitive nature immediately it is the subject of a decision (and for the purpose of avoiding a suspension). This could be followed, at the soonest practicable opportunity thereafter, with a detailed announcement giving all information required by the GEM Listing Rules.

- 9.04 ~~Pursuant to~~ Under rule 9.01, the Exchange may direct a trading halt or suspend dealings in an issuer's securities regardless of whether or not the issuer has requested the same and may do so in any circumstances, including:—

(6) ...

- (7) where there are unexplained unusual movements in the price or trading volume of the issuer's listed securities or where a false market for the trading of the issuer's securities has or may have developed and the issuer's authorised representative cannot immediately be contacted to confirm that the issuer is not aware of any matter or development that is or may be relevant to the unusual price movement or trading volume of such securities or the development of a false market, or where the issuer delays in issuing an announcement in the form required ~~pursuant to~~ under rule 17.11; or
- (8) where there is uneven dissemination or leakage of ~~price-sensitive~~ inside information in the market giving rise to an unusual movement in the price or trading volume of the issuer's listed securities.

Notes: 1 The Exchange will not hesitate to direct a trading halt or suspend dealings where it considers that improper use is being made of unpublished price-sensitive inside information, whether be it by persons connected with the issuer ~~concerned~~ or otherwise. It The Exchange may require a detailed explanation from an issuer as to who may have had access to unpublished information, and ~~as to~~ why security had not been properly maintained. If it the Exchange considers the result of its enquiries justify such action, it may publish its findings. It The Exchange places great importance on the responsibility of the directors of an listed issuer, ~~not only~~ to ensure not only proper security with regard to ~~unpublished price-sensitive inside~~ inside information, but also to ensure that relevant information is disclosed in a proper, and equitable manner, in the interests of the market as a whole, and not to the benefit of a selected group or individual.

2 Where the Exchange believes that an listed issuer or its advisers have permitted ~~price-sensitive inside~~ inside information regarding the issue of new securities to leak, ~~prior to~~ before its announcement proper publication, it the Exchange will not normally consider an application for the listing of those securities.

3 Under In accordance with the provisions of the Statutory Rules, the Exchange will notify the Commission of trading halts, suspensions and restorations of dealings. In addition, the Exchange will halt or suspend dealings if the Commission directs under directed to do so by the Commission pursuant to the provisions of the Statutory Rules.

9.05 The Exchange retains a discretion to allow the trading halt or suspension of dealings in an issuer's securities in appropriate circumstances which may, on a case by case basis, include the following:—

- (1) where, for a reason acceptable to the Exchange, ~~price-sensitive~~ inside information cannot at that time be disclosed; or
- (2) where an issuer is subject to an offer, but only where terms have been agreed in principle and require discussion with and agreement by one or more major shareholders. Trading halts or Ssuspensions will only normally be appropriate where no previous announcement has been made. In other cases, either the details of the offer should be announced, or if this is not yet possible, a “warning” announcement indicating that the issuer is in discussion which could lead to an offer, should be issued, without recourse to a trading halt or a suspension; or
- (3) where necessary to maintain an orderly market; or
- (4) in respect of certain levels of notifiable or connected transaction, for example, one involving substantial changes in the nature, control or structure of an issuer, where publication of full details is necessary to permit a realistic valuation to be made of the securities concerned.

Procedure

9.06 If the issuer believes that a trading halt or suspension cannot, in all of the circumstances, be avoided it should contact the Exchange at the earliest practicable opportunity.

Notes: 1 Any request for a trading halt or suspension of dealings should be directed by telephone to the Listing Division in accordance with rule 2.22. It will only be considered when it is received directly from ~~an~~ the issuer's authorised representative, ~~of the issuer or~~ some other responsible officer, ~~of the issuer or~~ from its Compliance Adviser, financial adviser, or legal adviser. Confirmation may be requested as to the authority of the person requesting the trading halt or the suspension. A formal letter supporting the request will be required, although, if the circumstances are exceptionally urgent, this need not be delivered to the Listing Division at the time of the initial request.

2 Reason(s) for the trading halt or suspension must be given in support of the request and the issuer will be expected to explain why an announcement cannot be or could not have been issued ~~in order~~ to avoid the trading halt or the suspension.

3 *A request for a trading halt or suspension of dealings (or continued trading halt or suspension of dealings) following the publication of an announcement based solely on a wish that the information should be allowed time to disseminate more widely will not be accepted by the Exchange.*

9.07 An issuer must endeavour to ensure that any request for suspension is, so far as is reasonably practicable, made outside Exchange trading hours (and as early as is practicable ~~prior to~~ before commencement of the next half-day trading session on GEM). Only in exceptional circumstances should a request be made during a trading session.

9.08 Where dealings have been halted or suspended, the issuer must announce the reason(s) for the trading halt or suspension and, where halted or suspended at the request of the issuer, the known or anticipated timing of the lifting of the trading halt or suspension, having regard to the matters set out in rule 9.11.

Resumption

9.09 In the interests of a fair and continuous market, the Exchange requires any period of trading halt or suspension to be kept as short as reasonably practicable. In this regard, the issuer must use its reasonable endeavours to obtain all relevant consents (including regulatory consents) necessary to ensure the lifting of such trading halt or suspension.

Note: The Exchange considers that the continuation of any trading halt or suspension beyond such period as is absolutely necessary denies reasonable access to the market and prevents its proper functioning.

9.10 The procedure for lifting the trading halt or suspension will depend on the circumstances and the Exchange reserves the right to impose such conditions as it considers appropriate.

9.11 In the case of a trading halt or suspension pending an announcement of any matter which is or may be inside information ~~of a price sensitive nature~~, the issuer shall use its reasonable endeavours to issue the announcement before commencement of the next half-day trading session on GEM. ~~In circumstances where~~ If it is not possible, for whatever reason, to issue the announcement within this time scale, the issuer shall, if requested to do so by the Exchange:—

(1) ...

Notes: 1 Any holding announcement required for the purpose of this rule, should be in substantially the following form:—

“ ...

The directors of [] are aware that there remains outstanding information relating to the Company which is or may be ~~of a price sensitive nature~~ inside information and which it is not practicable to publish at this time.

...

As required ~~pursuant to~~ under the GEM Listing Rules, the Company has requested the resumption of dealings in its securities with effect from []...”

.....

- 2 *A holding announcement of the type under ~~referred to in~~ Note 1 ~~above~~ must be published in accordance with ~~the requirements of~~ Chapter 16.*

9.12 ~~Pursuant to~~ Under rule 9.01, the Exchange may direct the resumption of dealings in securities. In particular, the Exchange may:—

- (1) without prejudice to rule 9.11, require an issuer to publish an announcement, in such terms and within such period as the Exchange shall, in its discretion, direct, notifying the resumption of dealings in the issuer’s securities, following the publication of which the Exchange may direct the resumption of dealings; and/or
- (2) direct a resumption of dealings following the publication of an announcement by the Exchange notifying the resumption of dealings in the securities.

9.13 The power conferred upon the Exchange by rule 9.12 shall not be exercised without first giving the issuer of the securities subject to trading halt or suspension the opportunity of having the matter reviewed in accordance with rule 4.07(5). At any hearing in connection with a direction for resumption, the burden shall be on the issuer opposing the resumption to satisfy the Exchange that a continued trading halt or suspension would be appropriate.

Transfer of listing

9.26 As soon as reasonably practicable and in any event ~~not later than~~ by the same day when the documents described under Main Board Listing Rule 9A.06 are submitted to the Exchange for a transfer of listing from GEM to the Main Board, the issuer shall ~~issue and publish an announcement in accordance with rule 17.10 to inform the market of the relevant facts~~ to inform the market.

Note: Issuers are reminded of Main Board rule 9A.08 which requires a more detailed announcement to be made when they have received the Exchange's formal approval for the transfer ~~has been received from the Exchange~~.

Chapter 12

EQUITY SECURITIES

APPLICATION PROCEDURES AND REQUIREMENTS

Applications

General

- 12.10 All publicity material released in Hong Kong relating to an issue of securities by a new applicant, ~~must be reviewed by the Exchange before release and~~ must not be released until the Exchange has reviewed it and confirmed to the issuer that it has no ~~further~~ comments thereon. In addition, ~~such the~~ publicity material must comply with all ~~applicable~~ statutory requirements. For these purposes, publicity material does not relate to an issue of securities if its purpose is the promotion of the issuer or its products or business and not the promotion of the securities to be issued. Moreover, circulation is permitted of documents of a marketing nature such as the invitation or offering ~~telex document~~ (or its equivalent ~~in another medium~~) and documents which consist of, or are drafts of, or relate to, agreements to be entered into in connection with the issue of the securities, provided that any obligations created thereunder to issue, subscribe, purchase or underwrite the securities are conditional on listing being granted. ~~Such~~ These documents will not be considered as falling within the scope of this rule and need not be submitted for prior review. Any publicity material or announcement referring to a proposed listing by a new applicant which is issued before the Listing Division's ~~hearing by the Listing Division~~ of the new applicant's application for listing must state that application has been or will be made to the Exchange for listing of and permission to deal in the securities concerned. Where any material relating to a proposed listing by a new applicant is released without the Exchange's ~~prior review by the Exchange~~ before the ~~such~~ hearing, the Exchange may postpone the ~~such~~ hearing by up to 1 month. If this will result in the application form being more than 6 months out of date, the applicant may have to submit a new application form and a further non-refundable listing fee (see rule 12.07).

~~Listed~~ Issuers must endeavour to ensure that the proposed listing (and all details thereof) are kept confidential ~~prior to~~ before any announcement concerning the proposed listing. Where the Exchange believes that an ~~listed~~ issuer or its advisers have permitted ~~price sensitive~~ inside information regarding the issue of additional securities to leak, ~~prior to~~ before announcing an announcement on the subject, the Exchange will not normally consider an application for the listing of those securities.

Chapter 13

EQUITY SECURITIES

RESTRICTIONS ON PURCHASE, DISPOSAL AND SUBSCRIPTION

Restrictions and notification requirements on issuers purchasing their own shares on a stock exchange

Dealing restrictions

13.11 The following dealing restrictions must be adhered to:—

- (3) ...
- (4) an issuer shall not purchase its shares on GEM at any time after ~~a price sensitive development has occurred or has been the subject of a decision~~ inside information has come to its knowledge until ~~such time as the price sensitive~~ information is made publicly available. In particular, during the period of 1 month immediately preceding the earlier of:
 - (i) the date of the board meeting (as such date is first notified to the Exchange in accordance with rule 17.48) for the approval of the issuer's results for any year, half-year or quarter-year period or any other interim period (whether or not required under the GEM Listing Rules); and
 - (ii) the deadline for the issuer to ~~publish an announcement of~~ its results for any year, half-year or quarter-year period under rules 18.49, 18.78 or 18.79 or any other interim period (whether or not required under the GEM Listing Rules),

and ending on the date of the results announcement, the issuer may not purchase its shares on GEM, unless the circumstances are exceptional;

- (5) ...

Chapter 16

EQUITY SECURITIES

PUBLICATION REQUIREMENTS

Publication on the GEM website

- 16.17 (1) (d) Where a listed issuer requests a trading halt or suspension of trading in its securities and the trading halt or suspension has been effected, the listed issuer must immediately submit through HKEx-EPS to the Exchange for publication on the GEM website a ready-to-publish electronic copy of an announcement informing that trading in the securities of the listed issuer has been halted or suspended and setting out briefly the reason for the trading halt or suspension.
- 16.18 (3) (a) Announcement or notice must not be published on the GEM website:
- between 8:30 a.m. and 12:00 noon and between ~~1:00~~ 12:30 p.m. and 4:15 p.m. on a normal business day ~~provided that the reference to 1:00 p.m. shall be changed to 12:30 p.m. with effect from 5 March 2012;~~ and
- ...
- except for:
- (i) [Repealed 10 March 2008];
 - (ii) announcements made solely under ~~pursuant to~~ rule 16.17(1)(d);
 - (iii) announcements made solely under ~~pursuant to~~ rule 17.12, rule 17.13 or rule 31.06;
 - (iv) announcements made in response to the Exchange's enquiries of the issuer ~~unusual movements in price or trading volume~~ under rule 17.11 or rule 31.05 ~~provided that if in the announcement the issuer only provides the negative confirmations required under rule 17.11(2) or rule 31.05(2), states that it is not aware of any matter which might have relevance to such movement or refers to its previously published information;~~

(v) announcements made in response to media news or reports under rule 17.10(2) or rule 31.04(2) ~~provided that~~ if in the announcement the issuer only denies the accuracy of such news or reports and/or clarifies that only its previously published information should be relied upon; and

(vi) ...

16.19 (1) ~~After 24 June 2008, e~~ Every issuer must have its own website on which it must publish any announcement, notice or other document published ~~by the issuer pursuant to~~ under rule 16.17 on the GEM website. Such publication should be at the same time as publication of the electronic copy of the document on the GEM website. In any event...

(2) ...

(3) ~~Prior to 25 June 2008, an issuer with its own website must publish on its website, in accordance with the timing prescribed in rule 16.19(1), any announcement, notice or other document submitted by the issuer pursuant to rule 16.17 for publication on the GEM website. [Repealed 1 January 2013]~~

Chapter 17

EQUITY SECURITIES

CONTINUING OBLIGATIONS

Preliminary

17.01 An issuer shall comply (and undertakes ~~by~~ pursuant to its application for listing (Appendix 5A), once any of its securities have been admitted to listing, to comply), ~~at all times, with all of the requirements of the GEM Listing Rules in force from time to time. in force, save for any that are stated not to apply. Set out in this Chapter is the general continuing obligation of disclosure, together with certain other general continuing obligations.~~

~~This Chapter is not exhaustive and issuers are reminded that other Chapters contain additional specific obligations, including, in particular, the following:—~~

~~Chapter 5 — Directors, Secretary and Corporate Governance Matters~~

~~Chapter 9 — Suspension and Resumption of Trading, Cancellation and Withdrawal of Listing~~

~~Chapter 11 — Qualifications for Listing~~

~~Chapter 13 — Restrictions on Purchase, Disposal and Subscription~~

~~Chapter 16 — Publication Requirements~~

~~Chapter 18 — Financial Information~~

~~Chapter 19 — Notifiable Transactions~~

~~Chapter 20 — Connected Transactions.~~

~~Additional continuing obligations are set out in Chapter 31, in so far as they relate to issuers having debt securities in issue. Additional requirements relating to continuing obligations are set out in Chapter 18A dealing with Mineral Companies.~~

- 17.02 The continuing obligations ~~set out~~ in this Chapter are primarily ~~designed~~ to ensure the maintenance of a fair and orderly securities market and that all market users have simultaneous access to the same information. Issuers must keep the holders of their securities (and the public) fully informed of ~~all~~ material factors which might affect their interests and treat the holders of their securities in a proper manner.
- 17.03 ~~The directors of a~~An issuer's directors are collectively and individually responsible for ensuring the issuer's full compliance with the GEM Listing Rules.
- 17.04 The directors should seek advice and guidance from the issuer's Sponsor (~~for so~~ as long as the issuer is obliged to retain, or otherwise retains, the services of a Sponsor) regarding the issuer's obligation to comply with, and the manner and extent of compliance with, the GEM Listing Rules. They ~~and~~ should take such advice and guidance into account.
- 17.05 Any announcement an issuer is required to make under ~~be made by an issuer pursuant to~~ the GEM Listing Rules must be made according to ~~in accordance with~~ the publication requirements ~~contained~~ in Chapter 16, unless otherwise stated.

Continuing disclosure obligations

Introduction

- 17.06 ~~The continuing obligations relating to disclosure set out in this Chapter are designed to ensure the immediate release of information in the circumstances referred to in rule 17.10. The guiding principle is that information which is~~

~~expected to be price-sensitive should be released immediately it is the subject of a decision. Until that point is reached, it is imperative that the strictest security within the issuer and its advisers is observed.~~

- (1) The Exchange has a duty under section 21 of the Securities and Futures Ordinance to ensure, so far as reasonably practicable, an orderly, informed and fair market.
- (2) The Inside Information Provisions impose statutory obligations on listed issuers and their directors to disclose inside information as soon as reasonably practicable after the information has come to the listed issuers' knowledge, and gives the Commission the responsibility for enforcing those obligations. The Commission has issued Guidelines on Disclosure of Inside Information. The Exchange will not give guidance on the interpretation or operation of the SFO or the Guidelines.
- (3) Where the Exchange becomes aware of a possible breach of the Inside Information Provisions, it will refer it to the Commission. The Exchange will not itself take disciplinary action under the GEM Listing Rules unless the Commission considers it not appropriate to pursue the matter under the SFO and the Exchange considers action under the Rules for a possible breach of the Rules appropriate.

17.07 ~~Without prejudice to the generality of rule 17.10, this Chapter identifies specific circumstances in which an issuer is obliged to disclose information to the holders of its securities and the public.~~

~~Note: The specific circumstances identified in this Chapter are not alternatives to the general disclosure obligation set out in rule 17.10 and do not in any way detract from the issuer's responsibilities under rule 17.10.~~

- (1) This Chapter identifies circumstances in which an issuer must disclose information to the public. These are not alternatives to, and do not in any way detract from, the statutory disclosure obligation found in the Inside Information Provisions.
- (2) The Exchange may require the issuer to make an announcement or halt trading in its listed securities where it considers it appropriate to preserve or ensure an orderly, informed and fair market.
- (3) The Exchange, in discharge of its duty under section 21 of the SFO, will monitor the market, make enquiries when it considers them appropriate or necessary, and may halt trading in an issuer's securities in accordance with the GEM Listing Rules as required.

17.07A An issuer and its directors must take all reasonable steps to maintain strict confidentiality of inside information until it is announced.

17.07B An issuer must not divulge any information in such a way as to place in a privileged dealing position any person or class or category of persons. It must not release any information in such a way that Exchange transactions may be entered into at prices which do not reflect the latest available information.

~~17.08 In adhering to the continuing obligations relating to disclosure set out in this Chapter, the~~ An issuer and its directors of the issuer must seek to ensure that dealings do not take place between parties one of whom does not have ~~price-sensitive~~ inside information which is in the possession of the other possesses.

~~17.09 In order t~~ To maintain high standards of disclosure, the Exchange may require an issuer to announce the publication of further information, by and impose additional requirements on it, a listed issuer where it the Exchange considers that circumstances so justify, but However, the Exchange will allow representations by the issuer to make representations before imposing any such requirements on it which are not imposed on listed issuers generally. The issuer must comply with the additional such requirements failing which and, if it fails to do so, the Exchange may (where such requirements relate to the publication of information) itself publish the information when such information is available to it the Exchange. Conversely, the Exchange may waive, modify or not require compliance with the terms of any specific obligations set out in this Chapter in to suit the circumstances of a particular case, but may require the issuer concerned to enter into an agreement or undertaking, in that event, as a condition of any such dispensation.

General obligation of disclosure

~~17.10 Generally and apart from compliance with all the specific requirements of the GEM Listing Rules, an issuer shall keep the Exchange, members of the issuer and other holders of its listed securities informed, as soon as reasonably practicable, of any information relating to the group (including information on any major new developments in the group's sphere of activity which is not public knowledge) which:~~

~~(1) is necessary to enable them and the public to appraise the position of the group; or~~

~~(2) is necessary to avoid the establishment of a false market in its securities; or~~

~~(3) might be reasonably expected materially to affect market activity in and the price of its securities.~~

- ~~Notes: 1—Information should not be divulged outside the issuer and its advisers in such a way as to place in a privileged dealing position any person or class or category of persons. Information should not be released in such a way that Exchange transactions may be entered into at prices which do not reflect the latest available information. Without in any way derogating from this principle, issuers may, in appropriate circumstances, give advance information in strict confidence to persons with whom negotiations are taking place with a view to the making of a contract or the raising of finance, e.g. to prospective underwriters of an issue of securities or providers of funds on loan. In any such case the persons receiving such information will be expected not to deal in the issuer's securities until the information has been released.~~
- ~~2—When developments are on hand which are likely to have a significant effect on market activity in or the price of any listed securities, **it is the direct responsibility of the directors to ensure that such information is kept strictly confidential** until a formal announcement is made. To this end the directors must ensure that the strictest security is observed within the issuer and its advisers and if at any time it is felt that the necessary degree of security cannot be maintained or that security may have been breached, an announcement should be made as soon as possible thereafter. In the case of an approach which may lead to an offer for all or part of the listed securities of the issuer, unless security by all parties can be assured, a warning announcement should be issued indicating that the issuer is in discussions which may lead to an offer for those securities. The lack of a warning announcement in some situations may lead to the establishment of a false market. In merger and takeover transactions, particularly where no warning announcement has been issued, a temporary suspension of dealings may be appropriate where negotiations have reached a point at which an offeree company is reasonably confident that an offer will be made for its shares or where negotiations or discussions are extended to embrace more than a small group of people.~~
- ~~3—The issuer may be obliged (by statute or otherwise) to impart information to a third party. If such information thereby enters the public domain and is of a price sensitive nature, it should be simultaneously released to the market.~~
- ~~4—The question of timing of the release of an announcement to the market is crucial, having regard to its possible effect on the market price of the issuer's listed securities. The overriding principle is that information which is expected to be price sensitive should be~~

~~announced immediately it is the subject of a decision. Failure to follow this principle may result in the Exchange imposing a temporary suspension of dealings.~~

- ~~5—The issuer must endeavour to avoid any suspension of its securities having regard to the provisions of rule 9.03 and the Notes thereto.~~
- ~~6—Rule 17.56 sets out general principles as to the presentation of information in all announcements, listing documents and circulars required to be published under the GEM Listing Rules.~~
- ~~7—Any obligation to inform holders of the issuer's securities or the public will be satisfied by the information being announced in accordance with rule 17.05.~~
- ~~8—Where it is proposed to announce at any meeting of holders of listed securities information which might affect the market price of the issuer's securities, arrangements should be made for the release of that information to the market simultaneously or immediately after the meeting in accordance with Chapter 16.~~
- ~~9—If the directors consider that disclosure of information to the public might prejudice the issuer's business interests, the Exchange must be consulted as soon as practicable.~~
- ~~10—Information should be released before the stage when it needs to be made available outside the directors, employees and advisers necessarily concerned. The date of the requisite board meeting should be fixed with this consideration in mind; if a suitable date cannot be fixed, it may be necessary for the board to delegate its power of approval to a committee so that the appropriate announcement can be made at the proper time.~~
- ~~11—If, during the period of any profit forecast made by the issuer:—~~
 - ~~(a)—an event occurs which, had it been known at the time the profit forecast was made, would have caused any of the assumptions upon which the forecast is based to have been materially different; or~~
 - ~~(b)—income or loss is generated by some activity outside the ordinary and usual course of the business (which income or loss was not disclosed as anticipated in the document in which the profit forecast was made) and which contributes~~

~~or is likely to contribute materially to the calculation of the profits for such period,~~

~~the issuer shall promptly disclose the occurrence of such event and relevant details to holders of the issuer's securities. The issuer should give an indication in the announcement of the likely impact of the event or activity referred to above on the profit forecast.~~

~~A disclosure obligation arises under sub paragraph (b) above as soon as the issuer becomes aware that it is likely that the contribution in the calculation of profits made or to be made by income or loss generated or to be generated as aforesaid will be material.~~

~~12 An issuer must consider whether or not it is appropriate or necessary to make any disclosure pursuant to this rule in circumstances where the profits or business developments of the issuer are or are likely to be out of line with any estimate or projection of the issuer or with market expectations of the issuer. If thought appropriate or necessary, an announcement should be made, on a timely basis, revising any estimate or projection and setting out reasons or explanations for the difference.~~

~~13 An issuer must notify the Exchange, members of the issuer and other holder of its listed securities without delay where:—~~

~~(i) to the knowledge of the directors there is no major market upheaval in the industries, countries or regions where the issuer has significant operations or transactions, or significant changes in exchange rates of currencies that are key to its operations; or~~

~~(ii) to the knowledge of the directors there is such a change in the issuer's financial condition or in the performance of its business or in the issuer's expectation of its performance that knowledge of the change is likely to lead to substantial movement in the price of its listed securities; or~~

~~(iii) the issuer has committed significant resources to an activity which is non-core business and this has not previously been disclosed.~~

~~14 In circumstances where the issuer is aware that the price or trading volume of its listed securities is being or may be influenced by speculation or rumour, the issuer is encouraged to make an announcement by way of clarification in order to avoid the~~

~~establishment of an uninformed, misinformed or false market in its securities. In the event that the Exchange contacts the issuer concerning unusual movements in the price or trading volume of its securities, rule 17.11 shall apply.~~

~~15 Without limiting the generality of Note 14 above, comments by individuals who:—~~

~~(a) are directors or representatives of an issuer or its controlling shareholder; and/or~~

~~(b) hold positions in entities with authority, administrative control or influence over an individual issuer or its controlling shareholder irrespective of that entity's equity interest in the issuer or controlling shareholder; and/or~~

~~(c) hold positions in entities with authority, administrative control, influence or regulatory responsibility over an industry~~

~~may be accorded considerable weight by the news media and investors. They may affect market activity in and the price of an issuer's securities thereby giving rise to an obligation under this rule. If these individuals make public proposed transactions or developments in relation to an issuer, which have not previously been announced or disclosed to shareholders in accordance with the GEM Listing Rules, the issuer affected will generally be required to clarify such comments by way of an announcement. Furthermore, comments by individuals holding positions in entities having authority, administrative control, influence or regulatory responsibility over an industry may give rise to an obligation on issuers operating in that industry to issue a clarification announcement.~~

~~16 Any confidentiality undertaking entered into by an issuer shall be made subject to any obligation on the part of the issuer to disclose information pursuant to the GEM Listing Rules.~~

(1) Without prejudice to rule 17.11, where in the view of the Exchange there is or there is likely to be a false market in an issuer's securities, the issuer must, as soon as reasonably practicable after consultation with the Exchange, announce the information necessary to avoid a false market in its securities.

Notes: 1. This obligation exists whether or not the Exchange makes enquiries under rule 17.11.

2. If an issuer believes that there is likely to be a false market in its listed securities, it must contact the Exchange as soon as reasonably practicable.

(2) (a) Where an issuer is required to disclose inside information under the Inside Information Provisions, it must also simultaneously announce the information.

(b) An issuer must simultaneously copy to the Exchange any application to the Commission for a waiver from disclosure under the Inside Information Provisions, and promptly upon being notified of the Commission's decision copy the Exchange with the Commission's decision.

Response to enquiries

17.11 Where the Exchange makes enquires An issuer shall respond promptly to any enquiries made of the issuer by the Exchange concerning unusual movements in the price or trading volume of its listed securities, the possible development of a false market in its securities, or any other matters, the issuer must respond promptly as follows: by

(1) ~~giving~~ provide to the Exchange and, if requested by the Exchange, announce, any such relevant information relevant to the subject matter(s) of the enquiries which as is available to it, so as to inform the market or to clarify the situation; the issuer or;

(2) if, and only if, the directors of the issuer, having made such enquiry with respect to the issuer as may be reasonable in the circumstances, are not aware of any matter or development that is or may be relevant to the unusual trading movement of its listed securities, or information necessary to avoid a false market, or any inside information which needs to be disclosed under the Inside Information Provisions, and if requested by the Exchange, appropriate, by issuing make an announcement containing a statement to the that effect (see note 1 below). that the issuer is not aware of any matter or development that is or may be relevant to the unusual price movement or trading volume of its listed securities and shall also respond promptly to any other enquiries made of the issuer by the Exchange.

Notes: 1 — If the enquiry relates to unusual movements in the price or trading volume of securities and the directors of the issuer are aware of any matter that might have relevance to such movements, an announcement clarifying the situation should be issued. The issuer should endeavour to issue an announcement sufficient to avoid the

~~need for any suspension of its securities (see rule 9.03). However, if it is not possible to make such an announcement, for example because negotiations may have reached a delicate stage, a temporary suspension of dealings in the issuer's securities may be necessary (see rule 9.06).~~

~~2. If the directors of the issuer are not aware of any matter that might have relevance to such movements (and only in such circumstances) the issuer should issue an announcement in the following form~~

1. The form of the announcement referred to in rule 17.11(2) is as follows:—

“This announcement is made at the request of The Stock Exchange of Hong Kong Limited. Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

We have noted [the recent increases/decreases in the price and/or trading volume of the [shares/warrants] of the Company] or [We refer to the subject matter of the Exchange's enquiry]. ~~and wish to state that~~ Having made such enquiry with respect to the Company as is reasonable in the circumstances, we confirm that we are not aware of [any reasons for these price [or volume] movements] or of any information which must be announced to avoid a false market in the Company's securities or of any inside information that needs to be disclosed under Part XIVA of the Securities and Futures Ordinance such [increases/decreases].

~~We also confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Chapters 19 to 20 of the GEM Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by rule 17.10 of the GEM Listing Rules, which is or may be of a price sensitive nature.~~

This announcement is ~~M~~ made by the order of the Company. ~~†The Board of [], the d~~Directors of which collectively and individually accepts responsibility for the accuracy of this announcement.”

2. An issuer does not need to disclose inside information under the Rules if disclosure of the information is exempted under the Inside Information Provisions.
3. The Exchange reserves the right to direct a trading halt of an issuer's securities if an announcement under rule 17.11(1) or 17.11(2) cannot be made promptly.

Trading halt or trading suspension

17.11A Without prejudice to the Exchange's ability to direct the halt, suspension and resumption of trading in an issuer's listed securities, an issuer must, as soon as reasonably practicable, apply for a trading halt or a trading suspension in any of the following circumstances where an announcement cannot be made promptly:

- (1) it has information which must be disclosed under rule 17.10; or
- (2) it reasonably believes that there is inside information which must be disclosed under the Inside Information Provisions; or
- (3) circumstances exist where it reasonably believes or it is reasonably likely that confidentiality may have been lost in respect of inside information which:
 - (a) is the subject of an application to the Commission for a waiver; or
 - (b) falls within any of the exceptions to the obligation to disclose inside information under the Inside Information Provisions in section 307D(2) of the SFO.

Note: An issuer does not need to disclose inside information under the Rules if disclosure of the information is exempted under the Inside Information Provisions.

Dual listing disclosure obligation

17.12 ~~If securities of the issuer are also listed on other stock exchanges, the Exchange must be simultaneously informed of~~ An issuer must announce any information released to any of such other stock exchanges on which its securities are listed at the same time as the information is released to that other exchange, and the issuer must ensure that such information is announced at the same time as it is released to the other markets.

Disclosure of information released by a listed subsidiary

- 17.13 ~~In circumstances w~~Where a subsidiary of the issuer listed on another stock exchange or securities market releases information on that stock exchange or in that securities market, the issuer must ensure that such information is announced as soon as practicable thereafter, irrespective of any obligation on the issuer to ~~announce issue its own announcement~~ under the GEM Listing Rules rule 17.10 or otherwise.

General Specific matters relevant to the issuer's business

Exposure to borrowers and other specific circumstances that may require disclosure

- 17.14 ~~Without prejudice to any obligation to disclose information pursuant to rule 17.10 and without limiting the scope of that rule, r~~ Rules 17.15 to 17.21 set out specific instances that give rise to a disclosure obligation on the part of an issuer's part.

Notes: 1 ~~Issuers are reminded that t~~ Transactions and financing arrangements of the sort referred to in rules 17.15 to 17.21 may also be subject to the requirements of Chapter 19 (Notifiable Transactions) and/or Chapter 20 (Connected Transactions).

2 For the purposes of rules 17.15 to 17.21, the following terms have the following meanings:—

...

3 ...

4 ~~If the directors consider that any disclosure pursuant to rules 17.15 to 17.21 might prejudice the issuer's business interests, the Exchange must be consulted as soon as possible. [Repealed 1 January 2013]~~

Advances to an entity

- 17.15 ~~A disclosure obligation arises w~~Where the relevant advance to an entity from the issuer or any of its subsidiaries exceeds 8% under the assets ratio as defined under rule 19.07(1), the issuer must announce the information in rule 17.17 immediately thereafter. For the avoidance of doubt, an advance to a subsidiary of the issuer, or between subsidiaries of the issuer, will not be regarded as a relevant advance to an entity.

17.16 ~~A disclosure obligation arises w~~ Where the relevant advance to an entity increases from that previously disclosed (whether ~~pursuant to~~ under rule 17.15, 17.16 this rule or ~~rule~~ 17.22) and the amount of the increase since the previous disclosure is 3% or more under the assets ratio ~~as~~ defined under rule 19.07(1), the issuer must announce the information in rule 17.17 immediately thereafter.

17.17 ~~Where a disclosure obligation arises u~~ Under rule 17.15 or 17.16, an issuer must ~~announce, immediately thereafter, publish an announcement disclosing the following information:—~~

(1) ...

17.17A For the purpose of rules 17.15 and 17.16, ~~where~~ any trade receivable is not regarded as a relevant advance to an entity if:

(1) ~~it any trade receivable (other than as a result of the provision of financial assistance) arose in the issuer's ordinary and usual course of business (other than as a result of the provision of financial assistance) of the issuer;~~ and

(2) the transaction from which the trade receivable arose was on normal commercial terms;

~~the trade receivable shall not be regarded as a relevant advance to an entity.~~

Financial assistance and guarantees to affiliated companies of an issuer

17.18 ~~A disclosure obligation arises w~~ Where the financial assistance extended by an issuer or any of its subsidiaries to affiliated companies of the issuer, and guarantees given by the issuer or any of its subsidiaries in respect of facilities granted to affiliated companies of an issuer, in aggregate exceeds 8% under the asset ratio ~~as~~ defined under rule 19.07(1), the issuer must immediately thereafter announce the following. ~~In these circumstances, the information required to be announced, immediately thereafter, is as follows:~~

(1) ...

Pledging of shares by the controlling shareholder

17.19 ~~A disclosure obligation arises w~~ Where the issuer's controlling shareholder of the issuer has pledged all or part of its interest in shares of the issuer's shares to secure the issuer's debts of the issuer or to secure guarantees or other support of its obligations, the issuer must immediately thereafter announce the following of the issuer. ~~In these circumstances, the information required to be announced, immediately thereafter, is as follows:—~~

(1) ...

Note: ~~This disclosure obligation set out in this rule is separate from the disclosure obligation arising from the pledging or charging of securities by controlling shareholders which is dealt with in rule 17.43.~~

Loan agreements with covenants relating to specific performance by the controlling shareholder

17.20 ~~A disclosure obligation arises w~~ Where an issuer or any of its subsidiaries enters into a loan agreement that includes a condition imposing specific performance obligations on any controlling shareholder (e.g. a requirement to maintain a specified minimum holding in the share capital of the issuer) and breach of such an obligation will cause a default in respect of loans that are significant to the issuer's operations, of the issuer the issuer must immediately thereafter announce the following. ~~In these circumstances, the information required to be announced, immediately thereafter, is as follows:—~~

(1) ...

Breach of loan agreement by an issuer

17.21 ~~An obligation to make an announcement arises when~~ If there is a an issuer or any of its subsidiaries breaches of the terms of a loan agreement by the issuer or any of its subsidiaries, in respect of any loan that is significant to the group's operations of the group, such that the lender may demand its immediate repayment of the loan and where the lender has not waived issued a waiver in respect of the breach, the issuer must announce such information.

Continuing disclosure requirements

17.22 ...

17.23 ...

17.24 Where the circumstances giving rise to a disclosure under rule 17.18 continue to exist at the issuer's half yearly or quarterly period end or annual financial year end, ~~the issuer's its~~ half-year, quarterly or annual report ~~shall~~ must include a combined balance sheet of affiliated companies as at the latest practicable date. The combined balance sheet of affiliated companies should include significant balance sheet classifications and state the issuer's effective economic interest of the issuer in the affiliated companies. ~~In cases where~~ If it is not practicable to prepare the combined balance sheet of affiliated companies, the Exchange, on the issuer's application from the issuer, may consider ~~to~~ accepting, as an

alternative, a statement of the indebtedness, contingent liabilities and capital commitments as at the end of the period reported on by affiliated companies.

Material changes following listing

- 17.25 Any proposed fundamental change in the principal business activities of an issuer or its group must be announced immediately after it has been the subject of any decision. Other than with the prior approval of the issuer's independent shareholders of the issuer in general meeting ~~under~~ pursuant to rule 19.89, an issuer may not, during the period of 12 months from the date on which dealings in its securities commenced on GEM, implement any such material change.

Note: See also rules 19.88 to 19.90.

- 17.26 ...

Material matters which impact on profit forecasts

- 17.26A (1) If, during the period of any forecast made by the issuer:-

- (a) an event occurs which, had it been known when the profit forecast was made, would have caused any of the assumptions upon which the forecast is based to have been materially different; or
- (b) profit or loss is generated by some activity outside the issuer's ordinary and usual course of business (which was not disclosed as anticipated in the document containing the profit forecast) and which materially contributes to or reduces, or is likely to materially contribute to or reduce, the profits for such period,

the issuer must promptly announce the event and relevant details. In the announcement, the issuer must also indicate the likely impact of that event or activity on the profit forecast already made.

- (2) The issuer must announce the information under rule 17.26A(1) as soon as it becomes aware that it is likely that the contribution to or reduction in the profits made or to be made by the profit or loss generated or to be generated as aforesaid will be material.

Winding-up and liquidation

- 17.27 (1) An issuer shall inform the Exchange of and announce ~~make an announcement on~~ the happening of any of the following events, as soon as it the same shall comes to the its attention of the issuer:—

- (b) ...

- (c) the passing of any resolution by the issuer, its holding company or any subsidiary falling under rule 17.27(2) that it be ~~wound up~~ wound up by way of members' or creditors' voluntary winding-up, or equivalent action in the country of incorporation or other establishment;
 - (d) ...
 - (e) the making of any final judgment, declaration or order by any court or tribunal of competent jurisdiction whether on appeal or at first instance which is not subject to any or further appeal, which may adversely affect the issuer's enjoyment of any portion of its assets where the aggregate value of the total assets or the aggregate amount of profits or revenue attributable to such assets represents more than 5% under any of the percentage ratios as defined under rule 19.04(9).
- (2) Rules 17.27(1)(a), (b) and (c) will apply to a subsidiary of the issuer if the value of that subsidiary's total assets, profits or revenue represents 5% or more under any of the percentage ratios as defined under rule 19.04(9).

Notes: 1 ...

- 2 ~~In the circumstances referred to in Note 9 to rule 17.10, the Exchange may be prepared to give a dispensation from the requirement to make the information public. However, the Exchange must be informed in any event. [Repealed 1 January 2013]~~
- 3 ~~The issuer must at all times also have regard to its general disclosure obligation under rule 17.10. [Repealed 1 January 2013]~~

General matters relevant to the issuer's securities

Board decisions

- 17.49 An issuer shall inform the Exchange and publish an announcement immediately after (and for the purpose of providing details of) the approval by or on behalf of the board of:—
- (2) ...
 - (3) any preliminary announcement of profits or losses for any year, or any half-year or quarterly report or results announcements for any or other period; and

- Notes: 1 *The timing of board meetings is a matter for the convenience and judgement of individual boards, but an issuer should inform the Exchange of ~~should be informed of,~~ and ~~an~~ announcement ~~be made in respect of,~~ decisions on dividends and results as soon as practicable after they ~~such decisions~~ have been taken. The directors are reminded that it is their direct responsibility to ensure that such information is kept strictly confidential until it is the announced ~~is made~~. In the case of a preliminary announcement of results, ~~listed~~ issuers' attention is drawn to the ~~provisions set out~~ in Chapter 18 regarding disclosure of ~~in relation to the disclosure requirements for~~ quarterly, half-year and annual results announcements.*
- 2 *~~Issuers are reminded that Note 10 to rule 17.10 and Note 1 above~~ is also applicable to a preliminary announcement of results for a full year. As soon as possible after draft accounts have been agreed with the auditors, those accounts, adjusted to reflect any dividend decision, should be approved, ~~in view of their price-sensitive nature,~~ as the basis of a preliminary announcement of results for the full year.*

(4) ...

Changes

17.50 An issuer must publish an announcement as soon as practicable in regard to:—

(2) ...

(m) ...

(n) full particulars where:

- (i) he has been identified as an insider dealer under ~~pursuant to~~ Parts XIII or XIV of the Securities and Futures Ordinance or the repealed Securities (Insider Dealing) Ordinance at any time;
- (ii) any enterprise, company or unincorporated business enterprise with which he was or is connected (as ~~such expression is~~ defined in Parts XIII or XIV of the Securities and Futures Ordinance or the repealed Securities (Insider Dealing) Ordinance) or any enterprise, company or unincorporated business enterprise for which he acts or has acted as an officer, supervisor or manager has been

identified as an insider dealer ~~under pursuant to~~ Parts XIII or XIV of the Securities and Futures Ordinance or the repealed Securities (Insider Dealing) Ordinance at any time during the period when he was connected and/or acted as an officer, supervisor or manager;

- (iii) he has been found guilty of or been involved in insider dealing, or been held by any Court or competent authority to ~~have be in~~ breached of any securities or financial markets laws, rules or regulations including any rules and regulations of any securities regulatory authority, stock exchange or futures exchange at any time; ~~or~~
- (iv) any enterprise, company or unincorporated business enterprise in which he was or is a controlling shareholder (as ~~such term is~~ defined in the GEM Listing Rules) or was or is a supervisor, manager, director or officer or has been found guilty of or been involved in insider dealing, or been held by any Court or competent authority to ~~have be in~~ breached of any securities or financial markets laws, rules or regulations including any rules and regulations of any securities regulatory authority, stock exchange or futures exchange at any time during the period when he was a controlling shareholder, supervisor, manager, director or officer; or
- (v) he has been found by the Market Misconduct Tribunal, any Court or competent authority to have breached an obligation under the Inside Information Provisions, or where any issuer of which he was or is a controlling shareholder (as defined in the GEM Listing Rules) or was or is a supervisor, manager, director, chief executive or officer has been found by the Market Misconduct Tribunal, any Court or competent authority to have breached an obligation under the Inside Information Provisions at any time during the period when he was a controlling shareholder, supervisor, manager, director, chief executive or officer;

Chapter 19

EQUITY SECURITIES

NOTIFIABLE TRANSACTIONS

Preliminary

- 19.01 This Chapter deals with certain transactions, principally acquisitions and disposals, by a listed issuer. It describes how they are classified, the details that are required to be disclosed in respect of them and whether a circular and shareholders' approval are required. It also considers additional requirements in respect of takeovers and mergers.

Note: ~~Listed issuers should note that even if a transaction is not required to be disclosed pursuant to the provisions of this Chapter, it may nevertheless be required to be disclosed under the listed issuer's general obligation to keep the market informed of all price-sensitive information (see rule 17.10).~~

Definitions

- 19.04 For the purposes of this Chapter:—
- (1) any reference to a “transaction” by a listed issuer:
- (g)

Notes: 1 To the extent not expressly provided in rules 19.04(1)(a) to (f), any transaction of a revenue nature in the ordinary and usual course of business of a listed issuer will be exempt from the requirements of this Chapter. ~~However, listed issuers should note that transaction may nevertheless be required to be disclosed under the listed issuer's general obligation to keep the market informed of all price-sensitive information (see rule 17.10).~~

Requirements for all transactions

Notification and announcement

- 19.34 As soon as possible after the terms of a share transaction, discloseable transaction, major transaction, very substantial disposal, very substantial acquisition or reverse takeover have been finalised, the listed issuer must in each case:—

- (1) inform the Exchange; and

Note: ~~Under rule 17.10, a listed issuer's notification obligations in respect of information expected to be price sensitive arise as soon as that information is the subject of a decision.~~

- (2) ...

Requirements for all transactions

Trading halt and ~~Short~~ suspension of dealings

- 19.37 (1) Where an ~~listed~~ issuer has signed an agreement in respect of a share transaction, major transaction, very substantial disposal, very substantial acquisition or reverse takeover and the required announcement has not been published on a business day, ~~the listed issuer~~ it must request a short suspension of dealings in its securities apply for a trading halt or a trading suspension pending the publication of the announcement.
- (2) Without prejudice to rule 19.37(1), ~~In any event,~~ an ~~listed~~ issuer that has signed an agreement in respect of a notifiable transaction which it reasonably believes would require disclosure under the Inside Information Provisions that is expected to be price sensitive must immediately request a short suspension of dealings in its securities apply for a trading halt or a trading suspension pending the publication of the required announcement of the agreement.
- (3) An ~~listed~~ issuer that has finalised the major terms of an agreement in respect of a notifiable transaction which it reasonably believes would require disclosure under the Inside Information Provisions that is expected to be price sensitive must ensure confidentiality of the relevant information until making publication of the required announcement. Where the ~~listed~~ issuer considers that the necessary degree of security cannot be maintained or that the security may have been breached, it must make ~~publish~~ an announcement or immediately apply for a trading halt or a trading suspension request a short suspension of dealings in its securities pending the publication of the announcement.
- (4) Directors of ~~listed~~ issuers ~~must, are reminded of their obligation under rule 17.07A, pursuant to Note 2 to rule 17.10~~ maintain to keep confidentiality of information that is likely to be inside information have a significant effect on market activity in or the price of any listed securities, until such time as it is announced a formal announcement is made in accordance with the requirements of Chapter 16.

- (5) ~~In the case of a reverse takeover, suspension of dealings in the listed issuer's securities must should continue until the issuer has announced disclosure of sufficient information has been made by the listed issuer by way of an announcement.~~ Whether the amount of information disclosed in the announcement is sufficient or not is determined on a case-by-case basis.

Additional requirements for major transactions

Methods of approval

- 19.44 Shareholders' approval for a major transaction shall be given by a majority vote at a general meeting of the shareholders of the ~~listed~~ issuer unless all the following conditions are met, in which case written shareholders' approval may, subject to rule 19.86, be accepted in lieu of holding a general meeting:—
- (1) no shareholder is required to abstain from voting if the ~~listed~~ issuer were to convene a general meeting for the approval of the transaction; and
 - (2) the written shareholders' approval has been obtained from a shareholder or a closely allied group of shareholders who together hold more than 50% in nominal value of the securities giving the right to attend and vote at that general meeting to approve the transaction. Where a listed issuer discloses ~~unpublished price sensitive~~ inside information to any shareholder in confidence to solicit the written shareholders' approval, the listed issuer must be satisfied that such shareholder is aware that he must not deal in the listed issuer's securities before such information has been made available to the public.

Contents of announcements

Profit forecast in an announcement

- 19.62 Where the announcement contains a profit forecast in respect of the ~~listed~~ issuer or a company which is, or is proposed to become, one of its subsidiaries, the ~~listed~~ issuer must submit the following additional information and documents to the Exchange by no later than the ~~making publication~~ of such announcement:—
- (1) ...
 - (2) a letter from the ~~listed~~ issuer's auditors or reporting accountants confirming...; and
 - (3) a report from the ~~listed~~ issuer's financial advisers confirming that ... If no financial advisers have been appointed in connection with the transaction, the ~~listed~~ issuer must provide...

Note: See rule 17.26A in respect of issuers' obligation to announce material or significant changes which impact on profit forecasts.

Chapter 20

EQUITY SECURITIES

CONNECTED TRANSACTIONS

Waivers

Shareholders' meeting waiver

20.43 Where independent shareholders' approval of a connected transaction is required, ~~such~~ the approval shall be given by a majority vote at a general meeting of shareholders of the ~~listed~~ issuer unless the following conditions are met, in which case a written shareholders' approval may be accepted in lieu of holding a general meeting:—

- (1) no shareholders of the ~~listed~~ issuer is required to abstain from voting if the ~~listed~~ issuer were to convene a general meeting for the approval of the connected transaction; and
- (2) ...

Notes: 1 ...

- 2 *Where a listed issuer discloses ~~price-sensitive~~ inside information to any shareholder in confidence to solicit the written independent shareholders' approval, the listed issuer must be satisfied that such shareholder is aware that he must not deal in the listed issuer's securities before such information has been made available to the public.*

Announcement requirements

20.47 Issuers proposing to enter into a connected transaction or a continuing connected transaction which is subject to announcement requirements must:—

- (1) ...

~~Note: Under rule 17.10, a listed issuer's notification obligations in respect of information expected to be price sensitive arise as soon as that information is the subject of a decision.~~

- (2) submit an announcement to the Exchange to be published on the GEM website as soon as possible; and

Note: Where the connected transaction is also a share transaction, major transaction, very substantial disposal, very substantial acquisition or reverse takeover, rule 19.37 (requirement for trading halt or ~~short~~ suspension of dealings) also applies.

Chapter 23

EQUITY SECURITIES

SHARE OPTION SCHEMES

Restriction on the time of grant of options

23.05 ~~An issuer grant of options may not grant any options be made after inside information has come to its knowledge a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until it has announced the such price sensitive information has been announced in accordance with the requirements of Chapter 16. In particular, it may not grant any option during the period commencing one month immediately before preceding~~ the earlier of:

- (1) the date of the board meeting (as such date is first notified to the Exchange ~~under in accordance with~~ rule 17.48) for approving the approval of the ~~listed~~ issuer's results for any year, half-year or quarter-year period or any other interim period (whether or not required under the GEM Listing Rules); and
- (2) the deadline for the issuer to announce publish an announcement of its results for any year, half year or quarter-year period under rules 18.49, 18.78 or 18.79 or any other interim period (whether or not required under the GEM Listing Rules),

and ending on the date of the results announcement, ~~no option may be granted.~~

Note: ~~The period during which n~~No option may be granted during ~~will cover any period of delay in the publication of publishing a results announcement.~~

Chapter 28

DEBT SECURITIES

APPLICATION PROCEDURES AND REQUIREMENTS

Preliminary

28.08 All publicity material released in Hong Kong relating to an issue of debt securities by a new applicant ~~must be reviewed by the Exchange before release and~~ must not be released until the Exchange has reviewed it and confirmed to the issuer that it has no ~~further~~ comments thereon. In addition, ~~such~~ the publicity material must comply with all ~~applicable~~ statutory requirements. For these purposes, publicity material does not relate to an issue of debt securities if its purpose is the promotion of the issuer or its products or business and not the promotion of the debt securities to be issued. Moreover, circulation is permitted of documents of a marketing nature such as the invitation or offering document telex (or its equivalent ~~in another medium~~) and documents which consist of, or are drafts of, or relate to, agreements to be entered into in connection with the issue of the debt securities, provided that any obligations created thereunder to issue, subscribe, purchase or underwrite the debt securities are conditional on listing being granted. ~~These~~ Such documents will not be considered as falling within the scope of this rule and need not be submitted for prior review. Any publicity material and announcement referring to a new applicant which is issued before the Listing Division's hearing ~~by the Listing Division~~ of the new applicant's application for listing must state that application has been or will be made to the Exchange for listing of and for permission to deal in the debt securities concerned. Where any material relating to a proposed listing by a new applicant is released without the Exchange's prior review ~~by the Exchange~~ before the such hearing, the Exchange may postpone the such hearing by up to 1 month.

~~Listed issuers must comply with the obligation to maintain confidentiality prior to the announcement of~~ before announcing an issue. Where the Exchange believes that an listed issuer or its advisers have permitted inside price sensitive information regarding the issue of additional securities to leak, before announcing prior to an announcement on the subject, the Exchange will not normally consider an application for the listing of those securities.

Chapter 30

DEBT SECURITIES

DEBT ISSUES TO PROFESSIONAL INVESTORS ONLY

Continuing Obligations

30.40 An issuer must immediately, after consultation with the Exchange, announce any information which

- (a) ~~Is necessary for investors to appraise its position or [Repealed 1 January 2013]~~
- (b) Is necessary to avoid a false market in its listed debt securities where in the view of the Exchange there is or there is likely to be a false market in its listed debt securities. ~~or~~

Note: If an issuer believes that there is likely to be a false market in its listed debt securities, it must contact the Exchange as soon as reasonably practicable.

- (c) ~~May have a material effect on its ability to meet the obligations under its debt securities.~~ [Repealed 1 January 2013]

30.40A If the securities are guaranteed, the guarantor must immediately announce any information which may have a material effect on its ability to meet the obligations under the debt securities.

30.40B (a) Where an issuer is required to disclose inside information under the Inside Information Provisions, it must also simultaneously announce the information.

- (b) An issuer must simultaneously copy to the Exchange any application to the Commission for a waiver from disclosure under the Inside Information Provisions, and promptly upon being notified of the Commission's decision copy it to the Exchange.

30.40C An issuer must, as soon as reasonably practicable, apply for a trading halt or a trading suspension where there is information under rule 30.40 or rule 30.40A, or inside information which must be disclosed under the Inside Information Provisions, or inside information which is the subject matter of an application to the Commission for a waiver but its confidentiality has been lost, and the information cannot be announced promptly.

Chapter 31

DEBT SECURITIES

CONTINUING OBLIGATIONS

Continuing disclosure obligations

General obligation of disclosure

31.04: Generally and apart from compliance with all the specific requirements of the GEM Listing Rules, an issuer ~~shall~~ must comply with the following ~~keep the Exchange and holders of its listed debt securities informed as soon as reasonably practicable of any information relating to the group (including information on any major new developments in the group's sphere of activity which is not public knowledge) which :—~~

- (1) ~~is necessary to enable them and the public to appraise the position of the group; or [Repealed 1 January 2013]~~
- (2) Without prejudice to rule 31.05, where in the view of the Exchange there is or there is likely to be a false market in its listed debt securities, an issuer must, as soon as reasonably practicable after consultation with the Exchange, announce the information is necessary to avoid—the establishment of a false market in its listed debt securities; or

Note: If an issuer believes that there is likely to be a false market in its listed debt securities, it must contact the Exchange as soon as reasonably practicable.

- (3) ~~might be reasonably expected materially to affect its ability to meet its commitments. [Repealed 1 January 2013]~~
- (4) If the securities are guaranteed, the guarantor must immediately announce any information which may have a material effect on its ability to meet the obligations under the debt securities.
- (5) (a) Where an issuer is required to disclose inside information under the Inside Information Provisions, it must also simultaneously announce the information.
(b) An issuer must simultaneously copy to the Exchange any application to the Commission for a waiver from disclosure under the Inside Information Provisions, and promptly upon being notified of the Commission's decision copy the Exchange with the Commission's decision.

- (6) An issuer and its directors must take all reasonable steps to maintain strict confidentiality of inside information until it is announced.
- (7) An issuer must not divulge any information in such a way as to place in a privileged dealing position any person or class or category of persons. It must not release any information in such a way that Exchange transactions may be entered into at prices which do not reflect the latest available information.
- (8) An issuer and its directors must seek to ensure that dealings do not take place between parties one of whom does not have inside information which the other possesses.
- (9) (a) If, during the period of any profit forecast made by the issuer:—
- (i) an event occurs which, had it been known when the profit forecast was made, would have caused any of the assumptions upon which the forecast is based to have been materially different; or
 - (ii) profit or loss is generated by some activity outside the issuer's ordinary and usual course of business (which was not disclosed as anticipated in the document containing the profit forecast) and which materially contributes to or reduces, or is likely to materially contribute to or reduce, the profits for such period,
- the issuer must promptly announce the event and relevant details. In the announcement, the issuer must also indicate the likely impact of that event or activity on the profit forecast already made.
- (b) The issuer must announce the information under rule 31.04(9)(a) as soon as it becomes aware that it is likely that the contribution to or reduction in the profits made or to be made by profit or loss generated or to be generated as aforesaid will be material.

Notes: 1

~~Information should not be divulged outside the issuer and its advisers in such a way as to place in a privileged dealing position any person or class or category of persons. Information should not be released in such a way that Exchange transactions may be entered into at prices which do not reflect the latest available information. [Repealed 1 January 2013]~~

~~Without in any way derogating from this principle, issuers may, in appropriate circumstances, give advance information in strict confidence to persons with whom negotiations are taking place with a view to the~~

~~making of a contract or the raising of finance, e.g. to prospective underwriters of an issue of debt securities or providers of funds on loan. In any such case the persons receiving such information will be expected to deal in the issuer's debt securities until the information has been released.~~

- 2 ~~When developments are on hand which are likely to have a significant effect on the ability of the issuer to meet its commitments **it is the direct responsibility of the directors to ensure that such information** is kept strictly confidential until a formal announcement is made. [Repealed 1 January 2013]~~

~~To this end the directors must ensure that the strictest security is observed within the issuer and its advisers and if at any time it is felt that the necessary degree of security cannot be maintained or that security may have been breached, an announcement should be made. The lack of an announcement in some situations may lead to the establishment of a false market.~~

- 3 ~~The issuer may be obliged (by statute or otherwise) to impart information to a third party. If such information thereby enters the public domain and is of a price-sensitive nature, it should be simultaneously released to the market. [Repealed 1 January 2013]~~

- 4 ~~The question of timing of the release of an announcement to the market is crucial, having regard to its possible effect on the market price of the issuer's listed debt securities. The overriding principle is that information which is expected to be price-sensitive should be announced immediately it is the subject of a decision. Failure to follow this principle may result in the Exchange imposing a temporary suspension of dealings. [Repealed 1 January 2013]~~

- 5 ~~The issuer must endeavour to avoid any suspension of its securities having regard to the provisions of rule 9.03 and the Notes thereto. [Repealed 1 January 2013]~~

- 6 ~~Rule 31.20 sets out general principles as to the presentation of information in all announcements, listing documents and circulars required to be published under the GEM Listing Rules. [Repealed 1 January 2013]~~

- 7 Any obligation to inform holders of the issuer's debt securities or the public will be satisfied by the information being announced in accordance with rule 31.03.

8 ~~Where it is proposed to announce at any meeting of holders of listed debt securities information which might affect the market price of the issuer's debt securities, arrangements should be made for the release of that information to the market simultaneously or immediately after the meeting in accordance with Chapter 16. [Repealed 1 January 2013]~~

9 ~~If the directors consider that disclosure of information to the public might prejudice the issuer's business interests, the Exchange must be consulted as soon as practicable. [Repealed 1 January 2013]~~

10 ~~Information should be released before the stage when it needs to be made available outside the directors, employees and advisers necessarily concerned. The date of the requisite board meeting should be fixed with this consideration in mind; if a suitable date cannot be fixed, it may be necessary for the board to delegate its power of approval to a committee so that the appropriate announcement can be made at the proper time. [Repealed 1 January 2013]~~

11 ~~If, during the period of any profit forecast made by the issuer:— [Repealed 1 January 2013]~~

~~(a) an event occurs which, had it been known at the time the profit forecast was made, would have caused any of the assumptions upon which the forecast is based to have been materially different; or~~

~~(b) income or loss is generated by some activity outside the ordinary and usual course of the business (which income or loss was not disclosed as anticipated in the document in which the profit forecast was made) and which contributes or is likely to contribute materially to the calculation of the profits for such period,~~

~~the issuer shall promptly disclose the occurrence of such event and relevant details to holders of the issuer's debt securities. The issuer should give an indication in the announcement of the likely impact of the event or activity referred to above on the profit forecast.~~

~~A disclosure obligation arises under sub-paragraph (b) above as soon as the issuer becomes aware that it is likely that the contribution in the calculation of profits made or to be made by income or loss generated or to be generated as aforesaid will be material.~~

12 ~~An issuer must consider whether or not it is appropriate or necessary to make any disclosure pursuant to this rule in circumstances where the profits or business developments of the issuer are or are likely to be out of line with any estimate or projection of the issuer or with market~~

~~expectations of the issuer. If thought appropriate or necessary, an announcement should be made, on a timely basis, revising any estimate or projection and setting out reasons or explanations for the difference. [Repealed 1 January 2013]~~

13 ~~In circumstances where the issuer is aware that the price or trading volume of its listed debt securities is or may be being influenced by speculation or rumour, the issuer is encouraged to make an announcement by way of clarification in order to avoid the establishment of an uninformed, misinformed or false market in its securities. In the event that the Exchange contacts the issuer concerning unusual movements in the price or trading volume of its securities, rule 31.05 shall apply. [Repealed 1 January 2013]~~

14 ~~Without limiting the generality of Note 13 above, comments by individuals who:—[Repealed 1 January 2013]~~

~~(a) are directors or representatives of an issuer or its controlling shareholder; and/or~~

~~(b) hold positions in entities with authority, administrative control or influence over an individual issuer or its controlling shareholder irrespective of that entity's equity interest in the issuer or controlling shareholder; and/or~~

~~(c) hold positions in entities with authority, administrative control, influence or regulatory responsibility over an industry may be accorded considerable weight by the news media and investors. They may affect market activity in and the price of an issuer's securities thereby giving rise to an obligation under this rule. If these individuals make public proposed transactions or developments in relation to an issuer, which have not previously been announced or disclosed to shareholders in accordance with the GEM Listing Rules, the issuer affected will generally be required to clarify such comments by way of an announcement. Furthermore, comments by individuals holding positions in entities having authority, administrative control, influence or regulatory responsibility over an industry may give rise to an obligation on issuers operating in that industry to issue a clarification announcement.~~

15 ~~Any confidentiality undertaking entered into by an issuer shall be made subject to any obligation on the part of the issuer to disclose information pursuant to the GEM Listing Rules. [Repealed 1 January 2013]~~

Response to enquiries

31.05 Where the Exchange makes enquiries An issuer shall respond promptly to any enquiries made of the issuer by the Exchange concerning unusual movements in the price or trading volume of its listed debt securities, the possible development of a false market in its securities, or any other matters, the issuer must respond promptly as follows: by

- (1) giving provide to the Exchange and, if requested by the Exchange, announce, any such relevant information relevant to the subject matter(s) of the enquiries which as-is available to it, so as to inform the market or to clarify the situation; the issuer or;
- (2) if, and only if, the directors of the issuer, having made such enquiry with respect to the issuer as may be reasonable in the circumstances, are not aware of any matter or development that is or may be relevant to the unusual trading movement of its listed debt securities, or information necessary to avoid a false market, or any inside information which needs to be disclosed under the Inside Information Provisions, and if requested by the Exchange, appropriate, by issuing make an announcement containing a statement to that the effect (see note 1 below). that the issuer is not aware of any matter or development that is or may be relevant to the unusual price movement or trading volume of its listed debt securities and shall also respond promptly to any other enquiries made of the issuer by the Exchange.

Notes: If the directors of the issuer are not aware of any matter that might have relevance to such movements (and only in such circumstances) the issuer should issue an announcement in the following form

1. The form of the announcement referred to in rule 31.05(2) is as follows:—

“This announcement is made at the request of The Stock Exchange of Hong Kong Limited. Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

We have noted [the recent increases/decreases in the price and/or trading volume of the debt securities of the Company] or [We refer to the subject matter of the Exchange’s enquiry]. Having made such enquiry with respect to the issuer as is reasonable in the

circumstances, we confirm ~~and wish to state~~ that we are not aware of [any reasons for these movements such [increases/decreases] or of any information which must be announced to avoid a false market in the Company's securities or of any inside information that needs to be disclosed under Part XIVA of the Securities and Futures Ordinance.

~~The Board is not aware of any matter discloseable under the general obligation imposed by rule 31.04 of the GEM Listing Rules, which is or may be of a price sensitive nature.~~

This announcement is ~~M~~made by the order of the Company. The Company's Board of ~~t~~, the ~~d~~Directors ~~of which~~ collectively and individually accepts responsibility for the accuracy of this announcement."

2. An issuer does not need to disclose inside information under the Rules if disclosure of the information is exempted under the Inside Information Provisions.
3. The Exchange reserves the right to direct a trading halt of an issuer's securities if an announcement under rule 31.05(1) or 31.05(2) cannot be made promptly.

31.05A Without prejudice to the Exchange's ability to direct the halt, suspension and resumption of trading in an issuer's listed debt securities, an issuer and/or the guarantor of the issued debt securities must, as soon as reasonably practicable, apply for a trading halt or a trading suspension in any of the following circumstances where an announcement cannot be made promptly:

- (1) the issuer and/or the guarantor has information which must be disclosed under rule 31.04(2) or (4); or
- (2) the issuer and/or the guarantor reasonably believes that there is inside information which must be disclosed under the Inside Information Provisions; or
- (3) circumstances exist where the issuer and/or the guarantor reasonably believes or it is reasonably likely that confidentiality may have been lost in respect of inside information which:
 - (a) is the subject of an application to the Commission for a waiver; or
 - (b) falls within any of the exceptions to the obligation to disclose inside information under the Inside Information Provisions in section 307D(2) of the SFO.

Note: An issuer and/or the guarantor does not need to disclose inside information under the Rules if disclosure of the information is exempted under the Inside Information Provisions.

Winding-up and liquidation

31.07 The issuer shall inform the Exchange ~~of on~~ the happening of any of the following events, as soon as ~~it the same shall~~ comes to ~~its the~~ attention ~~of the issuer:—~~

(5) ...

~~Note: In the circumstances referred to in Note 9 to rule 31.04, the Exchange may be prepared to give a dispensation from the requirement to make the information public. However, the Exchange must be informed in any event.~~

Practice Note 2

DUE DILIGENCE BY SPONSORS IN RESPECT OF INITIAL LISTING APPLICATIONS

Due diligence

15. Typical due diligence inquiries in relation to the new applicant's accounting and management systems and in relation to the directors' appreciation of their and the new applicant's obligations include:
- (a) assessing the new applicant's accounting and management systems that are relevant to:
 - (i) ~~to~~ the obligations of the new applicant and its directors under ~~to~~ ~~comply with~~ the GEM Listing Rules and other legal and regulatory requirements, in particular the financial reporting, disclosure of ~~price sensitive information and~~ notifiable and connected transaction and inside information requirements; and
 - (ii) ~~to~~ the directors' ability to make a proper assessment of the financial position and prospects of the new applicant and its subsidiaries, both before and after listing.

Such assessment should cover the new applicant's compliance manuals, policies and procedures including corporate governance policies and any letters ~~from given by~~ the reporting accountants to the new applicant ~~that~~ commenting on the new applicant's accounting and management systems or other internal controls; and

(b) ...

Practice Note 3

PRACTICE WITH REGARD TO PROPOSALS SUBMITTED BY ISSUERS TO EFFECT THE SEPARATE LISTING ON THE EXCHANGE OR ELSEWHERE OF ASSETS OR BUSINESSES WHOLLY OR PARTLY WITHIN THEIR EXISTING GROUPS

3. Principles

The principles, which apply equally whether the entity to be spun off is to be listed in Hong Kong or overseas, are as follows:

(a) to (f)...

(g) *Announcement of spin-off*

~~A spin off listing application is different from an ordinary listing application in that it is of material, price sensitive effect for an existing listed issuer. The Exchange accordingly considers that the latest time at which a formal announcement under rule 17.10 should be made is~~ An issuer must announce its spin-off listing application by the time it lodges of lodgement of the Form A (or its equivalent in any overseas jurisdiction). Where an overseas jurisdiction requires a confidential filing, the matter should be discussed with the Listing Division ~~prior to any such~~ before the filing. ~~Until the publication of the announcement of the application, in accordance with rules 16.17 to 16.19, strict confidentiality should be maintained and, in the event of if there is a leakage of information or of a significant, unexplained movement in the price or turnover volume of the Parent's securities, an earlier announcement would be required.~~

~~These above are set forth as general principles intended to assist the market. The Listing Division should be consulted at an early stage of any spin-off proposal for clarification as to the application thereof.~~

Appendix 6
DIRECTOR'S AND SUPERVISOR'S FORMS
FORM C

**Supervisor's declaration and undertaking and acknowledgement
in respect of an issuer incorporated in the People's Republic of China ("PRC")**

Part 2
UNDERTAKING AND ACKNOWLEDGEMENT

The particulars referred to in this Part 2 are:—

1. in the exercise of my powers and duties as a supervisor of
(Insert the name of the issuer) I, the undersigned, shall:

(d) ...

- (e) comply to the best of my ability, as if the same applied to me to the same extent as it does to directors of the issuer, with: (a) Parts XIVA and XV of the Securities and Futures Ordinance; (b) rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors; (c) the Code on Takeovers and Mergers; (d) the Code on Share Repurchases, and (e) all other relevant securities laws and regulations from time to time in force in Hong Kong;

盡力遵守下列條例及規則，猶如該條例適用於本人，程度上如同其適用於公司董事般：(a)《證券及期貨條例》第XIVA及XV部；(b)《創業板上市規則》第5.46至5.67條有關董事進行證券交易的規定；(c)《公司收購及合併守則》；(d)《股份購回守則》；以及(e)香港所有其他不時生效的有關證券法例與規例；

Appendix 7
SPONSOR'S FORMS
FORM G

Sponsor's Declaration in support of a New Applicant

Pursuant to rule 6A.13 we declare to The Stock Exchange of Hong Kong Limited (the "Exchange") that:

(1) ...

- (2) having made reasonable due diligence inquiries, we have reasonable grounds to believe and do believe that:

- (d) ...
- (e) the Company has established procedures, systems and controls (including accounting and management systems) which are adequate having regard to the obligations of the Company and its directors ~~under to comply with~~ the GEM Listing Rules and other relevant legal and regulatory requirements (in particular rules 17.10, 17.11, 18.03, 18.49 and 18.53 to 18.64 and Chapters 19 and 20, and Part XIVA of the Securities and Futures Ordinance) and which are sufficient to enable the Company's directors to make a proper assessment of the financial position and prospects of the Company and its subsidiaries, both before and after listing; and

Appendix 15

CORPORATE GOVERNANCE CODE AND CORPORATE GOVERNANCE REPORT

A.6 Responsibilities of directors

Code Provisions

- A.6.4 The board should establish written guidelines no less exacting than the Model Code for relevant employees in respect of their dealings in the issuer's securities. "Relevant employee" includes any employee or a director or employee of a subsidiary or holding company who, because of his office or employment, is likely to ~~possess be in possession of unpublished price sensitive~~ inside information in relation to the issuer or its securities.

C. ACCOUNTABILITY AND AUDIT

C.1 Financial reporting

Code Provisions

- C.1.5 The board should present a balanced, clear and understandable assessment in annual and interim reports, ~~other price sensitive announcements~~ and other financial disclosures required by the GEM Listing Rules. It should also do so for reports to regulators and information disclosed under statutory requirements.

S. INTERNAL CONTROLS

- (a) Where an issuer includes a directors' statement that they have conducted a review of its internal control system in the annual report under paragraph C.2.1, it is encouraged to disclose the following:
 - (i) ...
 - (ii) procedures and internal controls for the handling and dissemination of ~~price-sensitive~~ inside information;
 - (iii)

**Appendix 17
Headline Categories**

The following documents are submitted by issuers for publication on our website as listed companies information:—

Schedule 1

Headline Categories for Announcements and Notices

Reorganisation/Change in Shareholding/Major Changes/Public Float/Listing Status

...

Suspension

Trading Halt

Miscellaneous

...

~~Price-Sensitive~~ Inside Information