

Frequently asked questions on scope of “pledging of shares” under Rule 13.17

Release Date (Last Update Date)	Main Board Rules	GEM Rules	Series No.	FAQ No.	Query	Response
11/5/2018	13.17	17.19	N/A	029-2018	<p>Company A’s controlling shareholder deposited the share certificate of his shares in Company A to a third party, or where he uses his interest in Company A’s shares, for the purpose of securing Company A’s performance of an obligation.</p> <p>Does any of the above scenarios constitute “pledging of shares” under the Listing Rules warranting an announcement under MB Rule 13.17 (GEM Rule 17.19)?</p>	<p>Yes. MB Rule 13.17 (GEM Rule 17.19) applies to any arrangement, in any form and however the arrangement is named, where Company A’s controlling shareholder effectively uses all or part of his interest in Company A’s shares to, directly or indirectly, secure Company A’s debts, or to secure guarantees or other support of Company A’s obligations.</p>