

## Frequently Asked Questions No. 077-2022 (Released on 22 April 2022 and updated in May 2022)

### **Consequential changes to the Listing Rules to complement the new Code of Conduct provisions on bookbuilding and placing activities in equity capital market and debt capital market transactions and the sponsor coupling proposal (collectively, the “New Code Provisions”)**

#### **Introduction**

The Securities and Futures Commission (the “**Commission**”) published the “Consultation Paper on (i) the Proposed Code of Conduct on Bookbuilding and Placing Activities in Equity Capital Market and Debt Capital Market Transactions and (ii) the ‘Sponsor Coupling’ Proposal” on 8 February 2021, whereby the Commission proposed the New Code Provisions in relation to the conduct of intermediaries involved in bookbuilding and placing activities. The Consultation Conclusions were published on 29 October 2021. The New Code Provisions and consequential changes to the Listing Rules (the “**Rule Amendments**”) will come **into effect on 5 August 2022**.

The Rule Amendments define, among other things, the types of intermediaries involved in initial public offerings (“**IPOs**”) and other offerings of equity securities or interests\* covered under the New Code Provisions, and specify their responsibilities in these transactions in accordance with the New Code Provisions. Parts A and B of this document respectively provide an overview of the composition of the syndicate structure in a typical IPO in Hong Kong and a quick reference to the applicable Rule Amendments for these defined intermediaries. Part C of this document sets out frequently asked questions (the “**FAQs**”) that are designed to help new applicants and issuers to understand and comply with the Rule Amendments.

#### **Status of “Frequently Asked Questions”**

Users of the FAQs should refer to the Listing Rules themselves and, if necessary, seek qualified professional advice. The FAQs are not a substitute for the Listing Rules. If there is any discrepancy between the FAQs and the Listing Rules, the Listing Rules prevail.

In formulating our “responses”, we may have assumed certain underlying facts, selectively summarised the Listing Rules or concentrated on one particular aspect of the question. They are not definitive and do not apply to all cases where the scenario may at first appear similar. In any given case, regard must be given to all the relevant facts and circumstances.

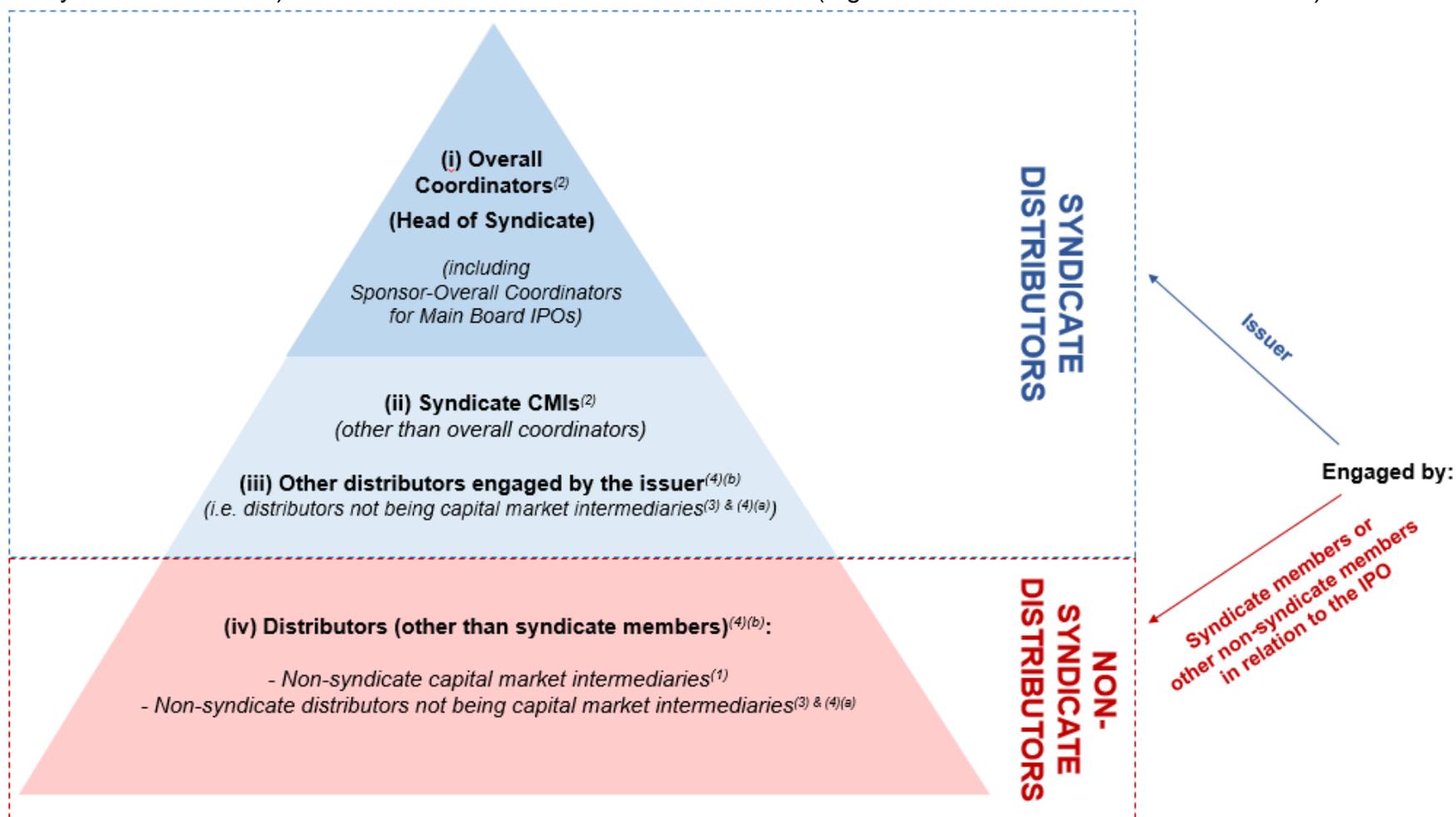
The Listing Division may be consulted on a confidential basis. Please contact the Listing Division at the earliest opportunity with any queries.

*\* For the purpose of this document, “equity securities or interests” shall have the meaning as provided in Note 1 to Rule 3A.32.*

## A. Overview of the composition of the syndicate structure in a typical IPO in Hong Kong

The composition of the syndicate structure in a typical IPO includes (a) **syndicate members** and (b) where engaged, **distributors (other than syndicate members)**. Whether an entity is considered as a syndicate member in an IPO under the Rule Amendments depends on whether it is engaged by the issuer to conduct bookbuilding, placing and/or other related activities (“**Relevant Activities**”) in the IPO. The diagram below shows the intermediaries involved in a typical IPO:

- (a) syndicate members, which comprise syndicate capital market intermediaries and other distributors (i.e. distributors not licensed or registered under the Securities and Futures Ordinance (Cap. 571) (“**SFO**”)) **engaged by the issuer** to conduct the Relevant Activities in the IPO; and
- (b) non-syndicate distributors that are **engaged by entities other than the issuer** (e.g. syndicate members or other non-syndicate members) to conduct the Relevant Activities in the IPO (e.g. sub-distribution of the issuer’s shares).



*Notes:*

1. A capital market intermediary (“**CMI**”) is any corporation or authorised financial institution, licensed or registered under the SFO that engages in the Relevant Activities as referred to in paragraph 21.1.1 of the New Code Provisions (“**specified activities**”).
2. A syndicate CMI is a capital market intermediary that is engaged by an issuer to conduct specified activities. An overall coordinator is a syndicate CMI and includes a sponsor-overall coordinator.
3. Distributors (that are not capital market intermediaries) are distributors not licensed or registered under the SFO, which engage in the Relevant Activities for the IPO outside Hong Kong.
4. In the context of the Rule Amendments, a “distributor” means any distributor conducting a placing of equity securities or interests referred to in Rule 3A.32(1) (GEM Rule 6A.39(1)). Whether a distributor is considered as:
  - (a) a capital market intermediary depends on whether it is licensed or registered under the SFO; and
  - (b) a syndicate member depends on whether it is engaged by the issuer to conduct the Relevant Activities in the relevant placing, and “syndicate distributor” in this FAQ shall be construed accordingly.

## **B. Quick reference to the applicable Rule Amendments for defined intermediaries**

### **1. Syndicate CMI**

The provisions in the Rule Amendments that are relevant to a syndicate CMI include:

| <b>Main Board Rules</b>   | <b>GEM Rules</b>                         | <b>Summary</b>  | <b>Applies to placings in connection with New Listings only</b> |
|---|--|---|---|
| 1.01  | 1.01                                     | Definition of a capital market intermediary   |   |
| 3A.33   | 6A.40                                    | Appointment before a capital market intermediary conducts any specified activities under paragraph 21.1.1 of the New Code Provisions  |   |
| 3A.34   | 6A.41                                    | Terms of the written engagement agreement of a capital market intermediary  |   |
| 3A.46   | 6A.48                                    | Obligations of a new applicant and its directors to assist the syndicate members  | ✓   |
| 9.11(35), Appendix 5D   | 12.26(6), Appendix 5D                    | Submission of (i) a copy of the placing letter; (ii) a marketing statement in the form of Form D in Appendix 5 (Form D in Appendix 5 to the GEM Rules); and (iii) a placee list to the Exchange as soon as practicable after the issue of the listing document but before dealings commence   | ✓   |
| 9.23(2), Appendix 5D  | Rule 12.27(6), Appendix 5D               | Same requirement as at that in Rule 9.11(35) (GEM Rule 12.26(6)), but applies to placings of equity securities or interests of a class new to listing under Rule 3A.32(1)(a)(ii) (GEM Rule 6A.39(1)(a)(ii)) only.   |   |
| 12.04(5), Appendix 11 (Forms A & C)                                   | 16.09(5), Appendix 10 (Forms A & C)      | Disclosure of the names of all syndicate CMIs and any other syndicate members in the formal notice in the case of a placing   |   |
| 12.08 (Note 2)  | Rule 16.13 (Note 3)                      | Confirmation required to be included in the announcement of the results of the offer  | ✓   |
| 13.28(10)   | 17.30(10)                                | Disclosure of the names of syndicate members and principal terms of the underwriting/placing arrangements in a placing.<br><br>This applies to placings of equity securities or interests of a class already listed under a general or specific mandate under Rule 3A.32(1)(a)(ii) (GEM Rule 6A.39(1)(a)(ii)) and placings of listed equity securities or interests by an existing holder of equity securities or interests if it is accompanied by a top-up subscription under Rule 3A.32(1)(b) (GEM Rule 6A.39(1)(b)) only. |   |
| Appendix 1 (paragraphs 3 & 3B of Part A, paragraphs 3 & 3B of Part E) | Appendix 1 (paragraphs 3 & 3B of Part A) | Disclosure of (i) the name and address of each syndicate member and (ii) the aggregate of the fees and the ratio of fixed and discretionary fees paid or payable to all syndicate members in the listing document   | ✓   |
| Appendix 5F (paragraph 10A)   | Appendix 5E (paragraph 10A)              | Confirmation of determination of the allocation of discretionary fees to be paid, and the time schedule for the payment of the total fees payable, to each syndicate CMI in the issuer's declaration  | ✓   |

| Main Board Rules                               | GEM Rules   | Summary   | Applies to placings in connection with New Listings only |
|--|---|---|--|
| Appendix 6 (paragraphs 5, 8, 9, 10, 11 and 12) | 10.12(1A), 10.12(4) (Note 1), 10.12(4A), 10.12(5), 10.12(6), 10.12(7) | Requirements relating to, and restrictions on, placing activities |  |

## 2. Overall coordinator

An overall coordinator is a syndicate CMI. See section 1 above for the provisions in the Rule Amendments that are relevant to a syndicate CMI. Other requirements relating to an overall coordinator under the Rule Amendments include:

| Main Board Rules                         | GEM Rules                                     | Summary  | Applies to placings in connection with New Listings only |
|--|---|--|--|
| 1.01                                     | 1.01  | Definition of an overall coordinator   |  |
| 3A.30                                    | 6A.30   | Action required if licence or registration is revoked, suspended, varied or restricted   |  |
| 3A.35                                    | 6A.42   | Appointment before an overall coordinator conducts any specified activities under paragraph 21.2.3 of the New Code Provisions  |  |
| 3A.36                                    | 6A.43   | Terms of the written engagement agreement of an overall coordinator  |  |
| 3A.37, Practice Note 22                  | 6A.44, Practice Note 5                        | Deadline for appointment of an overall coordinator (other than a sponsor-overall coordinator in the case of Main Board new applicants, as set out in Rule 3A.43 referred to in section 3 below) in the case of a New Listing (i.e. no later than 2 weeks following the submission of the listing application), and publication of an OC Announcement on an appointment of an overall coordinator | ✓  |
| 3A.38                                    | Note to 6A.42                                 | Provision of information by overall coordinator  |  |
| 3A.39                                    | Note to 6A.42                                 | Additional overall coordinators  |  |
| 3A.40, 9.11(36), Appendix 5E, Appendix 6 | 6A.45, 10.12 to 10.16B, 12.26(8), Appendix 7I | Submission of the overall coordinator's declaration in the form of Form E in Appendix 5 (Form I in Appendix 7 to the GEM Rules), pursuant to which each overall coordinator is required to declare, among others, that the placing is in compliance with Appendix 6 (GEM Rules 10.12 to 10.16B).   | ✓  |
| 3A.41, 3A.42, Practice Note 22           | 6A.46, 6A.47, Practice Note 5                 | Termination of the overall coordinator's role (other than for a sponsor-overall coordinator, as set out in Rule 3A.45 referred to in section 3 below), and publication of an OC Announcement on a termination of the engagement of an overall coordinator in the case of a New Listing   | ✓<br><i>(obligation to publish OC Announcement only)</i> |
| 9.10B                                    | 12.08 (Note 3)                                | Documents required to be submitted where there is a change of overall coordinator  | ✓  |

| Main Board Rules                 | GEM Rules                     | Summary  | Applies to placings in connection with New Listings only |
|----------------------------------|-------------------------------|--|--|
| 9.11A                            | 12.26AA                       | Obligation to notify the Exchange where there are any material changes to the information previously provided to the Exchange under Rule 9.11 (GEM Rules 12.12 to 12.26)   | ✓  |
| -                                | 12.23AA                       | Submission of certain information to the Exchange at least four clear business days prior to listing hearing. This applies to placings in connection with GEM New Listings under GEM Rule 6A.39(1)(a)(i) only  | ✓<br>(GEM New Listings only)                             |
| Practice Note 18 (paragraph 4.3) | Practice Note 6 (paragraph 5) | Obligation to restrict the extent of any over-allocation of shares to the limit provided under the over-allotment option   | ✓  |
| Appendix 6 (paragraphs 3 and 19) | 10.12(1B), 10.16B             | Obligation to make adequate distribution facilities available, run application list and determine a fair basis for allocation when the issue is oversubscribed; obligation to inform the Exchange where decisions made by an issuer amount to non-compliance with the Listing Rules related to, among other things, the placing activities conducted |  |

### 3. Sponsor-overall coordinator

A sponsor-overall coordinator is also an overall coordinator. See section 2 above for the provisions in the Rule Amendments that are relevant to an overall coordinator. Other requirements relating to a sponsor-overall coordinator under the Rule Amendments (which are only applicable to Main Board new applicants and do not apply to GEM new applicants) include:

| Main Board Rules    | Summary   | Applies to placings in connection with New Listings only |
|---------------------|---|--|
| 1.01                | Definition of a sponsor-overall coordinator   | ✓  |
| Note to 3A.02       | Obligations of a sponsor before accepting an appointment by a new applicant as a sponsor  | ✓  |
| 3A.43               | Appointment (i.e. at least 2 months before the submission of the listing application and both appointment of the sponsor independent of the new applicant and the overall coordinator must be made at the same time ) | ✓  |
| 3A.44               | Additional sponsor-overall coordinators   | ✓  |
| 3A.45               | Termination of the sponsor-overall coordinator's role   | ✓  |
| 3A.36(4), 9.11(23a) | Submission of certain information to the Exchange at least four clear business days prior to listing hearing  | ✓  |

#### 4. Syndicate and non-syndicate distributors

- (a) The following provisions in the Rule Amendments are relevant to both (i) syndicate distributors (other than syndicate CMI) and (ii) non-syndicate distributors engaged to conduct the Relevant Activities in a placing of equity securities or interests referred to in Rule 3A.32(1) (GEM Rule 6A.39(1)):

| Main Board Rules                               | GEM Rules   | Summary   | Applies to placings in connection with New Listings only |
|--|---|---|--|
| 3A.46  | 6A.48   | Obligations of a new applicant and its directors to assist the syndicate members  | ✓  |
| 9.11(35), Appendix 5D                          | 12.26(6), Appendix 5D   | Submission of (i) a copy of the placing letter; (ii) a marketing statement in the form of Form D in Appendix 5 (Form D in Appendix 5 to the GEM Rules); and (iii) a placee list to the Exchange as soon as practicable after the issue of the listing document but before dealings commence | ✓  |
| 9.23(2), Appendix 5D                           | 12.27(6), Appendix 5D   | Same requirement as at that in Rule 9.11(35) (GEM Rule 12.26(6)), but applies to placings of equity securities or interests of a class new to listing under Rule 3A.32(1)(a)(ii) (GEM Rule 6A.39(1)(a)(ii)) only.   |  |
| Appendix 6 (paragraphs 5, 8, 9, 10, 11 and 12) | 10.12(1A), 10.12(4) (Note 1), 10.12(4A), 10.12(5), 10.12(6), 10.12(7) | Requirements relating to and restrictions on placing activities   |  |

#### Notes:

- (1) Non-syndicate distributors engaged by entities other than the issuer are “distributors (other than syndicate members)” referred to in Rules 3A.46(3), 9.11(35)(a) and 9.23(2)(a), and Appendices 5D and 6 (paragraphs 5(1), 8, 9, 10 and 12) to the Listing Rules (GEM Rules 6A.48(3), 10.12(1A)(a), 10.12(4) (Note 1(g)), 10.12(4A), 10.12(6), 10.12(7) and 12.26(6)(a), 12.27(6)(a) and Appendix 5D to the GEM Rules).
- (2) In respect of a transaction covered under the Rule Amendments, distributors (including both syndicate distributors and non-syndicate distributors) that are not capital market intermediaries are expected to assist the overall coordinators to discharge their obligations under the Listing Rules (“**Required Assistance**”).
- (3) To facilitate the overall coordinators’ discharge of their obligations under the Listing Rules (e.g. providing a declaration (in the form of Form E in Appendix 5 (Form I in Appendix 7 to the GEM Rules)) to the Exchange that,

among others, a bookbuilding was carried out to assess demand for securities and the relevant placing is in compliance with Appendix 6 (GEM Rules 10.12 to 10.16B)), issuers are expected to include the following terms (“**Assistance Terms**”) in the written engagement of each syndicate distributor:

- (i) the obligation of the syndicate distributor to provide the Required Assistance to the overall coordinator(s); and
- (ii) the obligation of the syndicate distributor to require any distributor it engages for the relevant transaction (“**Second Tier Distributor(s)**”) to provide the Required Assistance to the overall coordinator(s) and to assist the syndicate distributor to provide the Required Assistance to the overall coordinator(s), including but not limited to requiring the Assistance Terms to be reflected in the written engagement of each Second Tier Distributor and any distributor that each Second Tier Distributor further engages for the relevant transaction.

(b) In addition to the provisions in the Rule Amendments set out in sub-paragraph 4(a) above, the following provisions in the Rule Amendments are also relevant to syndicate distributors (other than syndicate CMI) engaged to conduct the Relevant Activities in a placing of equity securities or interests referred to in Rule 3A.32(1) (GEM Rule 6A.39(1)):

| Main Board Rules  | GEM Rules                                | Summary  | Applies to placings in connection with New Listings only |
|---|--|--|--|
| 1.01  | 1.01                                     | Definition of a syndicate member   |  |
| 12.04(5), Appendix 11 (Forms A & C)                                   | 16.09(5), Appendix 10 (Forms A & C)      | Disclosure of the names of all syndicate CMIs and any other syndicate members in the formal notice in the case of a placing  |  |
| 12.08 (Note 2)  | 16.13 (Note 3)                           | Confirmation required to be included in the announcement of the results of the offer   | ✓  |
| 13.28(10)   | 17.30(10)                                | Disclosure of the names of syndicate members and principal terms of the underwriting/placing arrangements in a placing.<br>This applies to placings of equity securities or interests of a class already listed under a general or specific mandate under Rule 3A.32(1)(a)(ii) (GEM Rule 6A.39(1)(a)(ii)) and placings of listed equity securities or interests by an existing holder of equity securities or interests if it is accompanied by a top-up subscription under Rule 3A.32(1)(b) (GEM Rule 6A.39(1)(b)) only |  |
| Appendix 1 (paragraphs 3 & 3B of Part A, paragraphs 3 & 3B of Part E) | Appendix 1 (paragraphs 3 & 3B of Part A) | Disclosure of (i) the name and address of each syndicate member and (ii) the aggregate of the fees and the ratio of fixed and discretionary fees paid or payable to all syndicate members in the listing document  | ✓  |

Notes:

1. *“New Listings” shall have the meaning as defined in Rule 1.01 (GEM Rule 1.01) in the Rule Amendments and “placings in connection with New Listings” shall mean placings referred to in Rule 3A.32(1)(a)(i) (GEM Rule 6A.39(1)(a)(i)) in the Rule Amendments.*
2. *This Part only sets out the provisions in the Rule Amendments that are relevant to the above intermediaries involved in the Relevant Activities. Intermediaries shall continue to observe other requirements that are applicable to them under the Listing Rules.*
3. *Pursuant to Rule 20.23A in the Rule Amendments, in the case of offerings involving bookbuilding activities (as defined under the Code of Conduct) of interests in a REIT by a new REIT listing applicant or an existing authorised REIT, Chapter 3A and the other relevant Exchange Listing Rule provisions relating to sponsor-overall coordinator, overall coordinator and other capital market intermediaries shall apply.*

### C. FAQs relating to the Rule Amendments

| No. | Main Board Rules          | GEM Rules                 | Query  | Response  |
|-----|---------------------------|---------------------------|--|---|
| 1.  | 1.01                      | 1.01                      | What are the new definitions on the role of intermediaries under the Rule Amendments?  | The following new definitions on the role of intermediaries are added to the Listing Rules: “capital market intermediary” (or “CMI”), “syndicate CMI”, “overall coordinator”, “sponsor-overall coordinator” (for Main Board Rules only) and “syndicate member”.   |
| 2.  | 1.01                      | 1.01                      | Despite the introduction of new definitions on the role of intermediaries under the Rule Amendments, can intermediaries still be awarded titles such as “global coordinator”, “bookrunner”, “lead manager”, etc. which is currently the market norm, and disclosed accordingly in listing documents? | Yes, intermediaries may still be awarded titles which are currently used in the market and identified by these titles in the listing documents to be issued in connection with the relevant transactions. The definitions of “capital market intermediary”, “overall coordinator” and “sponsor-overall coordinator” are for the purpose of identifying them based on the specified activities they engage in as stipulated in the New Code Provisions. However, as the definitions under the New Code Provisions relate directly to the specified activities performed, intermediaries should approach with caution being awarded titles that appear to be inconsistent with how their roles are defined under the New Code Provisions. |
| 3.  | 3A.32,<br>3A.33,<br>3A.35 | 6A.39,<br>6A.40,<br>6A.42 | Under the Rule Amendments, what are the types of equity capital market transactions that require the appointment of a capital market intermediary to be made under a written agreement before it conducts any of the specified activities?   | <p>An issuer is required to appoint a capital market intermediary by way of a written agreement before such capital market intermediary conducts any specified activities in the following types of offering involving bookbuilding activities (as defined under the New Code Provisions) (<i>Notes 1, 2 and 3</i>):</p> <ul style="list-style-type: none"> <li>(a) a placing of equity securities or interests to be listed on the Exchange, including: <ul style="list-style-type: none"> <li>(i) a placing in connection with a New Listing (<i>Note 4</i>) (whether by way of a primary listing or secondary listing), including, without limitation, a</li> </ul> </li> </ul>  |

| No. | Main Board Rules | GEM Rules | Query | Response  |
|-----|------------------|-----------|-------|---|
|     |                  |           |       | <p>reverse takeover of a listed issuer which is a deemed new listing under Rule 14.54 (GEM Rule 19.54) and a transfer of listing of equity securities or interests from GEM to Main Board under Chapter 9A of the Listing Rules; and</p> <p>(ii) a placing of equity securities or interests (<i>Note 5</i>) of a class new to listing or of a class already listed under a general or specific mandate in accordance with Rule 7.12A (GEM Rule 10.13) or other relevant codes and guidelines; and</p> <p>(b) a placing of listed equity securities or interests (<i>Note 6</i>) by an existing holder of equity securities or interests if it is accompanied by a top-up subscription by the existing holder of equity securities or interests for new equity securities or interests in the issuer.</p> <p>An issuer is not under the above obligations in respect of offerings of equity securities or interests which do not involve bookbuilding activities (as defined under the New Code Provisions), such as:</p> <p>(i) bilateral agreements or arrangements between the issuer and the investors (sometimes referred to as “club deals”);</p> <p>(ii) transactions where only one or several investors are involved and the terms of the offering are negotiated and agreed directly between the issuer and the investors (sometimes referred to as “private placements”);</p> <p>(iii) transactions where equity securities or interests are allocated to investors on a pre-determined basis at a pre-determined price;</p> |

| No. | Main Board Rules | GEM Rules | Query | Response  |
|-----|------------------|-----------|-------|---|
|     |                  |           |       | <p>(iv) selling of listed equity securities or interests by existing holders of equity securities or interests, other than a placing as referred to in (b) above (sometimes referred to as “secondary offering”); and</p> <p>(v) an offering of equity securities or interests which has been subscribed by an intermediary as principal deploying its own balance sheet, for onward selling to investors (sometimes referred to as “block transactions”).</p> <p>For the avoidance of doubt, if an equity offering involving bookbuilding or placing activities (as defined in the New Code Provisions) uses a back stop arrangement (where the capital market intermediary provides a guarantee or an underwriting commitment at a minimum price to the issuer), the capital market intermediary in this connection should be appointed under a written agreement before it conducts the specified activities for such transaction under Rule 3A.33 (GEM Rule 6A.40), even if the capital market intermediary may have a right to acquire the equity securities or interests offered as principal under the relevant back stop / underwriting agreement, given that it is uncertain whether any equity securities or interests would be acquired by the capital market intermediary as principal by deploying its own balance sheet, for onward selling to investors.</p> <p><i>Notes:</i></p> <p>1. The scope of offerings to which the Rule Amendments apply is the same as that set out in paragraph 21.1.2(a) of the New Code Provisions.</p> |

| No. | Main Board Rules    | GEM Rules | Query  | Response   |
|-----|---------------------|-----------|--|--|
|     |                     |           |  | <p>2. If a capital market intermediary does not perform, and is not and will not be appointed to perform, the specified activities in an offering set out in points (a) and (b) above, the requirement under Rule 3A.33 (GEM Rule 6A.40) will not apply to that capital market intermediary.</p> <p>3. Placing and bookbuilding activities (as defined under the New Code Provisions) do not include market sounding that is conducted to gauge investors' interest before an issuer has decided to pursue an offering. As the timing at which an issuer makes a decision to pursue an offering is solely within its knowledge and control, the issuer is expected to communicate its decision promptly to any capital market intermediary it has authorised to conduct market sounding and to appoint the capital market intermediary under a written agreement before it conducts the specified activities in accordance with Rule 3A.33 (GEM Rule 6A.40).</p> <p>4. "New Listing" shall have the meaning as defined in Rule 1.01 (GEM Rule 1.01) in the Rule Amendments.</p> <p>5. This refers to new equity securities or interests.</p> <p>6. This refers to existing equity securities or interests.</p> |
| 4.  | N/A                 | N/A       | Are there any amendments to the Listing Rules relating to debt capital market (" <b>DCM</b> ") transactions? | No, intermediaries engaged in DCM transactions are however reminded to abide by applicable standards of conduct in the New Code Provisions.  |
| 5.  | 3A.02, 3A.35, 3A.43 | N/A       | A Main Board new applicant has appointed Entity A to be sponsor to its IPO. If the new applicant             | In the scenario described, while Entity A (or its relevant group company) would be acting as a sponsor and an overall coordinator for the IPO, it would not be a sponsor-  |

| No. | Main Board Rules | GEM Rules | Query  | Response   |
|-----|------------------|-----------|--|--|
|     |                  |           | <p>subsequently appoints Entity A (or one of its group companies) as an overall coordinator before the expiration of the 2-week period following the submission of its listing application, can Entity A (or its relevant group company) be regarded as a sponsor-overall coordinator?</p>   | <p>overall coordinator under Rule 3A.43. In order to become a sponsor-overall coordinator for the purpose of Rule 3A.43, Entity A and/or its group company must be appointed as sponsor <u>and</u> overall coordinator <u>at the same time</u> and the appointment must be made at least 2 months before the submission of the listing application.</p> <p>See also FAQ No. 9A in relation to the appointment of a sponsor-overall coordinator for a placing involving bookbuilding activities (as defined under the Code of Conduct) in connection with the New Listing of a special purpose acquisition company (“<b>SPAC</b>”). <b>(Updated in May 2022)</b></p>  |
| 6.  | 3A.02, 3A.43     | N/A       | <p>Can a Main Board new applicant contemplating a New Listing on the Exchange which does not fall within the New Code Provisions (e.g. listing by introduction or an offer by public subscription only) appoint a sponsor-overall coordinator in accordance with the Listing Rules to prevent the 2-month waiting period in case the new applicant subsequently decides during the listing process to conduct an IPO which will involve a placing tranche instead?</p> | <p>Yes, in the scenario described, the new applicant can appoint a sponsor-overall coordinator (or other overall coordinators) when it is considering a listing on the Exchange, irrespective of whether the New Code Provisions apply to the initial proposed method of listing. It can rely on the sponsor-overall coordinator appointed to provide advice on the merits of, and the need to adopt, a placing tranche, depending on market conditions and the new applicant’s preference for its future shareholder base.</p> <p>Where a new applicant, which had initially planned to list on the Exchange by way of introduction or by public offering only and had not appointed any sponsor-overall coordinator no later than 2 months before the submission of its listing application, subsequently decides to include a placing tranche in its IPO after the submission of its listing application, the new applicant will have to re-file its listing application at least 2 months after the appointment of a</p> |

| No. | Main Board Rules                                | GEM Rules                                      | Query  | Response   |
|-----|---|--|--|--|
|     |   |  |  | <p>sponsor-overall coordinator if it intends to continue with the listing application process.</p> <p>See also FAQ No. 9A in relation to the appointment of a sponsor-overall coordinator for a placing involving bookbuilding activities (as defined under the Code of Conduct) in connection with the New Listing of a SPAC. <b>(Updated in May 2022)</b></p>  |
| 7.  | 3A.37, 3A.42, paragraph 17A of Practice Note 22 | 6A.44, 6A.47, paragraph 16A of Practice Note 5 | A new applicant intends to have 3 overall coordinators for its IPO and has appointed them in accordance with the Rule Amendments. If one of the appointed overall coordinators resigns after the 2-week period following the submission of its listing application, can the new applicant appoint another overall coordinator to replace the outgoing overall coordinator? | <p>In the case of a placing in connection with a New Listing, all overall coordinators must be appointed no later than 2 weeks following the date of the submission (or re-filing) of the listing application.</p> <p>In the scenario described, following the resignation of the outgoing overall coordinator, the new applicant can no longer appoint another overall coordinator due to the expiry of the 2-week period and may only proceed with its existing listing application with the remaining 2 overall coordinators for its IPO. The new applicant may however appoint additional syndicate CMLs (other than overall coordinators) to assist with the selling effort of its IPO.</p> <p>If the existing listing application lapses subsequently, the new applicant may consider appointing a new overall coordinator to replace the outgoing overall coordinator before the end of the 2-week period following the re-filing of its listing application.</p> |
| 8.  | 3A.41(1), 3A.43, 3A.45                          | N/A  | In each of the scenarios below, how would a Main Board new applicant's listing application be  | In the scenarios (i) and (ii) described, if the new applicant intends to continue with the listing process, it must file a new listing application with the Exchange not less than 2   |

| No. | Main Board Rules    | GEM Rules | Query   | Response  |
|-----|---------------------|-----------|---|---|
|     |                     |           | <p>affected if a sponsor-overall coordinator resigns after the submission of its listing application:</p> <p>(i) one sponsor-overall coordinator was duly appointed 2 months before the submission of its listing application;</p> <p>(ii) one sponsor-overall coordinator and one sponsor were duly appointed 2 months before the submission of its listing application; and</p> <p>(iii) two sponsor-overall coordinators were duly appointed before the submission of its listing application.</p> | <p>months from the date of the formal appointment of a replacement sponsor-overall coordinator, detailing a revised listing timetable together with the initial listing fee. In the event of a termination of the engagement of an overall coordinator, the new applicant and the outgoing overall coordinator must also notify the Exchange in writing, as soon as practicable, of the termination of the engagement of the outgoing overall coordinator together with (a) the reasons therefor and (b) a confirmation on whether it had any disagreement with the new applicant.</p> <p>In the scenario (iii) described, the new applicant may proceed with its existing listing application provided that the remaining sponsor-overall coordinator remains duly appointed.</p> <p>See also FAQ No. 9A in relation to the appointment of a sponsor-overall coordinator for a placing involving bookbuilding activities (as defined under the Code of Conduct) in connection with the New Listing of a SPAC. <b>(Updated in May 2022)</b></p> |
| 9.  | 3A.03, 3A.02, 3A.43 | N/A       | <p>Under the Note to Rule 3A.02, a sponsor should, before accepting an appointment by a new applicant as sponsor, (a) be independent of the new applicant and fulfill all other criteria in Rule 3A.43, or (b) obtain a written confirmation from the new applicant that at least one sponsor-overall coordinator has been appointed in accordance with Rule 3A.43.</p>   | <p>Under Rule 3A.03, a sponsor must provide an undertaking and statement of independence to the Exchange at the same time as a listing application on behalf of a new applicant is submitted to the Exchange. No change has been introduced to this requirement in the Rule Amendments.</p> <p>We do not expect the current practice to change in regards to the independence confirmation of sponsors under Rule 3A.03. The confirmation of independence is done subject to the outcome of the due diligence exercise to be</p>  |

| No. | Main Board Rules | GEM Rules | Query   | Response  |
|-----|------------------|-----------|---|---|
|     |                  |           | <p>Does this mean, under the Rule Amendments, a sponsor-overall coordinator (or an entity within its group of companies that is proposed to be appointed as sponsor, where applicable) will be required to complete its independence check and confirm its independence from the new applicant before accepting its appointment as sponsor, unless another sponsor-overall coordinator (or an entity within its group of companies that is appointed as sponsor, where applicable) had done so?</p> | <p>performed by the sponsor(s) in connection with the listing application.</p> <p>So if a sponsor accepts an appointment by a new applicant as a sponsor-overall coordinator under Rule 3A.43 on a preliminary basis subject to completion of the due diligence check, in the event the sponsor is concluded to be not independent of the new applicant, another sponsor (or an entity within its group of companies) will need to be appointed as a sponsor-overall coordinator in accordance with Rule 3A.43.</p>   |
| 9A. | 3A.43            | N/A       | <p>Does the requirement under Rule 3A.43(2) that a sponsor-overall coordinator must be appointed no less than 2 months before the submission (or re-filing, as the case may be) of a listing application apply in the case of a SPAC New Listing?</p>   | <p>For a placing involving bookbuilding activities (as defined under the Code of Conduct) in connection with the New Listing of a SPAC, the Exchange would accept the submission (or re-filing, as the case may be) of the listing application where the sponsor-overall coordinator is appointed no less than 1 month (instead of 2 months as required under Rule 3A.43(2)) prior to the submission (or re-filing, as the case may be), which is in line with the modification of the timing requirement on appointment of sponsors for SPAC listing applications under Rule 18B.78.</p> <p>This means that in the transaction described above, the listing application for the New Listing of the SPAC must be submitted no less than 1 month after the date of the formal appointment of the sole sponsor-overall coordinator or</p> |

| No. | Main Board Rules               | GEM Rules                    | Query   | Response  |
|-----|--------------------------------|------------------------------|---|---|
|     |                                |                              |   | <p>(where more than 1 sponsor-overall coordinator is appointed) the last sponsor-overall coordinator.</p> <p><b><i>(Added in May 2022)</i></b></p>  |
| 10. | 3A.34, 3A.36                   | 6A.41, 6A.43                 | How should the fixed fees payable to a capital market intermediary be presented in the written engagement in relation to its appointment by the issuer? | <p>The written engagement must at least specify the fixed fees payable to the relevant capital market intermediary as a percentage of the total fees to be paid to all syndicate CMIs. This will enable each syndicate CMI to know its fixed fee entitlement relative to the total fees payable to all syndicate CMIs, which is expected to enable syndicate CMIs to focus their efforts and devote their resources to providing advice to the issuer, conducting bookbuilding and placing activities in compliance with the New Code Provisions, as the case may be, and, in turn, enhance the transparency and credibility of the price discovery and allocation process.</p> <p>In addition to the above, the agreed fixed fee can be expressed in other forms depending on the commercial negotiation and preferences of the parties involved, as long as it does not contradict the above provision or introduce uncertainty into the fixed fee entitlement of the capital market intermediary. For example, a capital market intermediary may agree with the issuer to specify its fixed fee as an absolute amount, as a percentage of the total gross proceeds to be raised in the offering of equity securities or interests, or the fee may be a sliding scale depending on the final pricing of the equity securities or interests.</p> |
| 11. | 9.11(23a), 9.11(37), paragraph | 12.23AA, 12.26(7), paragraph | Under the Rule Amendments, the fixed fees payable to syndicate CMIs shall be determined at the  | In the case of a placing in connection with a New Listing, assuming that both fixed fees and discretionary fees are payable to syndicate CMIs in the transaction, the following   |

| No. | Main Board Rules            | GEM Rules                   | Query  | Response   |
|-----|-----------------------------|-----------------------------|--|--|
|     | 10A of Form F in Appendix 5 | 10A of Form E in Appendix 5 | time of their respective appointments by the issuer. What is the position on discretionary fees payable to syndicate CMIs? | <p>information in relation to the discretionary fees payable is required to be determined and submitted to the Exchange at least 4 clear business days before the expected hearing date of the relevant listing application:</p> <ul style="list-style-type: none"> <li>(i) the <b>total fees</b> (<i>Note 1</i>) (as a percentage of the gross proceeds to be raised from the New Listing (<i>Note 2</i>)) in respect of both the public subscription and the placing tranches to be paid to all syndicate CMIs; and</li> <li>(ii) the ratio of fixed and <b>discretionary fees</b> to be paid to all syndicate CMIs for both the public subscription and the placing tranches (in percentage terms) (<i>Note 3</i>).</li> </ul> <p>Further, the new applicant shall provide a declaration to the Exchange before commencement of dealings in the relevant equity securities or interests, which shall include a confirmation that, among other things, the following has been determined and communicated in writing to each syndicate CMI at the time of the declaration:</p> <ul style="list-style-type: none"> <li>(i) the allocation of discretionary fees, that is, the absolute amount to be paid, to each syndicate CMI (<i>Note 4</i>); and</li> <li>(ii) the time schedule for the payment (<i>Note 4</i>) of the total fees (<i>Note 1</i>) payable to each syndicate CMI has been determined.</li> </ul> <p><i>Notes:</i></p> |

| No. | Main Board Rules | GEM Rules | Query | Response   |
|-----|------------------|-----------|-------|--|
|     |                  |           |       | <ol style="list-style-type: none"> <li>1. "Total fees" above are commonly referred to as "underwriting fees", and include <b>both</b> fixed and <b>discretionary fees</b> for providing one or more of the following services to the new applicant: providing advice, marketing, bookbuilding, making pricing and allocation recommendations and placing the equity securities or interests with the investors. For the avoidance of doubt, this shall comprise all fixed and discretionary fees to be paid in connection with all activities falling within the scope of the New Code Provisions.</li> <li>2. Both (a) the percentage calculated on the basis that the over-allotment option (if any) is not exercised; and (b) the percentage calculated on the basis that the over-allotment option (if any) is exercised in full shall be submitted.</li> <li>3. For this purpose, the following shall be submitted: (a) the fixed fees (as a percentage (<i>see Note 2 above</i>) of the total fees (<i>see Note 1 above</i>)) paid or to be paid to all syndicate CMLs for both the public subscription and the placing tranches and (b) the discretionary fees (as a percentage (<i>see Note 2 above</i>) of the total fees (<i>see Note 1 above</i>)) paid or to be paid to all syndicate CMLs for both the public subscription and the placing tranches.</li> <li>4. The issuer may not make payment of any portion of the total fees (<i>see Note 1 above</i>) subject to a condition to be satisfied following listing. The exception to this is fees in relation to the New Listing of a SPAC if, in accordance with a common market practice, the syndicate members are to be paid a portion of their fees at the time of the New Listing of the SPAC, and the remaining portion is to be paid on a deferred basis</li> </ol> |

| No. | Main Board Rules                             | GEM Rules                                    | Query   | Response   |
|-----|--|--|---|--|
|     |  |  |   | <p>only following successful de-SPAC. For the avoidance of doubt, the Rule Amendments are not applicable to the fees that are payable to a SPAC promoter for its services in relation to the New Listing of the SPAC or the de-SPAC transaction provided that the services do not fall within the scope of activities described in paragraph 21.1.1 of the New Code Provisions.</p>  |
| 12. | 3A.34, paragraph 10A of Form F in Appendix 5 | 6A.41, paragraph 10A of Form E in Appendix 5 | Under the Rule Amendments, what information in relation to fee arrangements does an issuer need to provide to capital market intermediaries involved in the Relevant Activities in the issuer's proposed placing? | <p>The issuer shall provide the following in relation to fee arrangements to the capital market intermediaries:</p> <ul style="list-style-type: none"> <li>(i) at the time of engagement of a capital market intermediary by the issuer, the issuer must specify, among others, the following in the capital market intermediary's written engagement agreement: <ul style="list-style-type: none"> <li>(a) the fee arrangement (including the fixed fees to be paid to the capital market intermediary as a percentage (<i>Note 1</i>) of the total fees (<i>Note 2</i>) to be paid to all syndicate CMIs); and</li> <li>(b) the time schedule for payment of the fees (<i>Note 3</i>) to the capital market intermediary; and</li> </ul> </li> <li>(ii) before commencement of dealings in the equity securities or interests to be placed in the transaction, the issuer must determine and communicate in writing to the syndicate CMI the allocation of discretionary fee, that is, the absolute amount to be paid (<i>Note 4</i>), and the time schedule for the payment (<i>Note 4</i>) of the total fees payable, to the syndicate CMI.</li> </ul> <p><i>Notes:</i></p> <ul style="list-style-type: none"> <li>1. See Note 2 to FAQ No. 11.</li> <li>2. See Note 1 to FAQ No. 11.</li> </ul> |

| No. | Main Board Rules  | GEM Rules                            | Query  | Response   |
|-----|---|--------------------------------------|--|--|
|     |   |                                      |  | <p>3. This includes fixed and (if any) discretionary fees.</p> <p>4. See Note 4 to FAQ No. 11.</p>   |
| 13. | Paragraph 3B of Part A and paragraph 3B of Part E of Appendix 1 | Paragraph 3B of Part A of Appendix 1 | What needs to be disclosed in the prospectus on fees payable to syndicate members in placings in connection with New Listings? | <p>In respect of a placing in connection with a New Listing, the prospectus shall at least disclose (i) the aggregate sum of the fees (as a percentage (<i>Note 1</i>) of the gross proceeds from the New Listing) paid or payable to all syndicate members in respect of both the public subscription and the placing tranches; and (ii) the ratio of fixed and discretionary fees paid or payable to all syndicate members (<i>Note 2</i>). The absolute amount of the fees paid or payable to each syndicate member is not required to be disclosed in the prospectus.</p> <p>Based on the specific circumstances of each listing application, the Exchange may require further information to be disclosed if it considers that such disclosure will enable potential investors to make an informed assessment of the new applicant or the New Listing.</p> <p><i>Notes:</i></p> <ol style="list-style-type: none"> <li>1. See Note 2 to FAQ No. 11.</li> <li>2. For this purpose, the following shall be disclosed: (a) the fixed fees (as a percentage (<i>see Note 1 above</i>) of the total fees (<i>see Note 3 below</i>)) paid or to be paid to all syndicate members for both the public subscription and the placing tranches and (b) the discretionary fees (as a percentage (<i>see Note 1 above</i>) of the total fees (<i>see Note 3 below</i>)) paid or to be paid to all syndicate members for both the public subscription and the placing tranches.</li> <li>3. See Note 1 to FAQ No. 11.</li> </ol> |

| No. | Main Board Rules | GEM Rules | Query  | Response  |
|-----|------------------|-----------|--|---|
| 14. | 3A.46            | 6A.48     | <p>Under the Rule Amendments, a new applicant and its directors shall provide each syndicate member with a list of the directors and existing shareholders of the new applicant, their respective close associates and any person who is engaged by or will act as a nominee for any of the foregoing persons to subscribe for, or purchase shares in connection with a New Listing ("<b>Restricted Investors</b>").</p> <p>(i) Does this requirement apply to new applicants with a primary listing on an overseas exchange given they may have a large shareholder base and the compilation of the list of Restricted Investors may be cumbersome?</p> <p>(ii) Does the requirement apply to a placing of shares by a listed issuer that falls under Rules 3A.32(1)(a)(ii) or 3A.32(1)(b) (GEM Rule 6A.39(1)(a)(ii) or 6A.39(1)(b))?</p> | <p>(i) In the case of a placing in connection with a New Listing, the Listing Rules prohibit Restricted Investors from subscribing for the equity securities or interests of a new applicant unless with consent from the Exchange. The provision of the required information set out in Rule 3A.46 (GEM Rule 6A.48) is to assist the syndicate members to identify such Restricted Investors.</p> <p>A new applicant seeking a secondary listing or a dual primary listing with an offering on the Exchange has the same obligation under Rule 3A.46 (GEM Rule 6A.48) to assist their syndicate members to meet their general obligation to take all reasonable steps to identify Restricted Investors.</p> <p>Under the current practice, given there may be material changes in the Restricted Investors during the listing process of a new applicant seeking a secondary listing or a dual primary listing on the Exchange, it may apply for the Exchange's consent under paragraphs 5(1) and (2) of Appendix 6 to the Listing Rules (GEM Rule 10.12(1A)(a) and (b)) and a waiver of Rule 10.04 (GEM Rule 13.02(1)) in order to allow certain existing shareholders of the new applicant to subscribe for equity securities or interests in its IPO.</p> <p>Guidance Letter HKEX-GL85-16 provides that the Exchange will consider giving the above consent and granting the above waiver to a new applicant's existing shareholders or their close associates to participate in an IPO if any actual or perceived preferential treatment arising from their ability to</p> |

| No. | Main Board Rules  | GEM Rules  | Query  | Response  |
|-----|---|--|--|---|
|     |   |  |  | <p>influence the listing applicant during the allocation process can be addressed (for example, where all the conditions set out in paragraph 4.20 of the above guidance letter are fulfilled, the Exchange may consider that the actual or perceived preferential treatment given to the relevant existing shareholders or their close associates by virtue of their relationship with the new applicant can be addressed and will ordinarily give its consent for allocation of securities to such shareholders or their close associates).</p> <p>(ii) No, this requirement only applies to a placing in connection with a New Listing.</p> <p>However, listed issuers are reminded to comply with the requirement of the Listing Rules in connection with the placing of (a) equity securities or interests of a class new to listing or of a class already listed under a general or specific mandate or (b) listed equity securities or interests (if it is accompanied by a top-up subscription) to any “connected person” as defined in Chapter 14A of the Listing Rules. For example, a listed issuer may provide information to assist the syndicate members to identify the listed issuer’s connected persons.</p> |
| 15. | 2.07C(6)(a), 3A.37, 3A.41(2), 9.08(2), 12.01C, Practice Note 22 | 16.19(1), 6A.44, 6A.46(2), 12.10(2), 16.01C, Practice Note 5 | When does a new applicant need to publish an OC Announcement (as defined in Rule 1.01 (GEM Rule 1.01)) and what is the content requirement of such announcement? | <p>The requirement to publish an OC Announcement only applies to a placing involving bookbuilding activities in connection with a New Listing (Refer to Rule 3A.32(1)(a)(i) (GEM Rule 6A.39(1)(a)(i)).</p> <p>Publication of an OC Announcement is required:</p> <p>(i) on the same date as the new applicant files the listing application (<i>Note</i>) and publishes the Application Proof</p>   |

| No. | Main Board Rules | GEM Rules | Query | Response   |
|-----|------------------|-----------|-------|--|
|     |                  |           |       | <p>(or in the case of a listing of interests in a REIT, on the same date as it files an authorisation application with the Commission and publishes the Application Proof) (“<b>Submission of the Application</b>”).</p> <p>A new applicant that is allowed to make a confidential filing under the Listing Rules is required to publish an OC Announcement on the same date as it publishes its PHIP instead. For the avoidance of doubt, the OC Announcement shall be published immediately after and on the same date as the publication of the Application Proof (or PHIP, where applicable). Such OC Announcement shall set out the name(s) of all overall coordinator(s) appointed by the new applicant as at the date of the announcement;</p> <p>(ii) each time an additional overall coordinator is appointed after the Submission of the Application. In such a case, the OC Announcement shall be published as soon as practicable after the appointment is made and in any event no later than the first business day after the date of the appointment (which appointment shall be no later than the 14<sup>th</sup> day after the date of Submission of the Application). Each OC Announcement shall disclose the appointment and set out the name(s) of <u>all</u> overall coordinator(s) appointed by the new applicant as at the date of the announcement; and</p> <p>(iii) each time the appointment of an overall coordinator is terminated after the Submission of the Application (or after the publication of the <u>first</u> OC Announcement for applicants allowed to make a confidential filing). In</p> |

| No. | Main Board Rules | GEM Rules | Query | Response  |
|-----|------------------|-----------|-------|---|
|     |                  |           |       | <p>such circumstances, the OC Announcement shall be published as soon as practicable after the termination takes place, and is expected to be published no later than the first business day after the date of the termination of the appointment. Each such OC Announcement shall disclose the termination and set out the name(s) of <u>all</u> overall coordinator(s) that remain appointed by the new applicant as at the date of the announcement.</p> <p>For the purpose of publication on the Exchange’s website, an OC Announcement must, among other things, be accompanied by appropriate disclaimer and warning statements and not contain any information regarding the proposed offering or other information that would result in it being deemed as (i) a prospectus under section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance as amended from time to time (Cap. 32) (“<b>CWUMPO</b>”); (ii) an advertisement under section 38B(1) of the CWUMPO; or (iii) an invitation to the public in breach of section 103(1) of the SFO, as stipulated under paragraphs 4(d) and 5A of Practice Note 22 (paragraphs 3(d) and 4A of Practice Note 5 of the GEM Rules).</p> <p>Also, for the avoidance of doubt, while intermediaries appointed may be awarded titles such as “global coordinator”, “bookrunner”, “lead manager”, etc., if they fall within the definition of “overall coordinators” under the Rule Amendments by virtue of the activities they conduct or are engaged to conduct, each OC Announcement shall clearly identify them as “overall coordinators”, in addition to any other titles of these intermediaries which the new applicant may intend to disclose in the OC Announcement.</p> |

| No. | Main Board Rules   | GEM Rules   | Query  | Response   |
|-----|--|---|--|--|
|     |  |   |  | <i>Note: This includes a re-filing of a listing application.</i>   |
| 16. | 2.07C(6)(a),<br>3A.37,<br>3A.41(2),<br>9.08(2),<br>12.01C,<br>Practice Note 22 | 16.19(1),<br>6A.44,<br>6A.46(2),<br>12.10(2),<br>16.01C,<br>Practice Note 5 | What should a new applicant do if it failed to publish an OC Announcement at the prescribed timing under the Listing Rules?  | <p>The new applicant shall publish the OC Announcement as soon as practicable and clearly state the following in the announcement:</p> <ul style="list-style-type: none"> <li>(i) when the OC Announcement should have been published under the Listing Rules;</li> <li>(ii) the reasons for the delay in publication; and</li> <li>(iii) that the Exchange may take action in respect of the new applicant's listing application on the breach of the relevant Listing Rule.</li> </ul>   |
| 17. | 2.07C(6)(a),<br>3A.37,<br>3A.41,<br>9.08(2),<br>12.01C,<br>Practice Note 22    | 16.19(1),<br>6A.44,<br>6A.46,<br>12.10(2),<br>16.01C,<br>Practice Note 5    | Does a new applicant need to publish an OC Announcement on an appointment or termination of an overall coordinator that takes place <u>before</u> the submission of its listing application? | <p>No, the obligation to publish an OC Announcement arises only when a new applicant submits a listing application. See FAQ No. 15.</p> <p>However, the new applicant is required to notify the Exchange in writing, as soon as practicable, of a termination of an overall coordinator that takes place before the submission of the listing application, and provide the information required under Rule 3A.41(1) (GEM Rule 6A.46(1)) to the Exchange.</p> <p><i>Note:</i> A new applicant that is allowed to make a confidential filing under the Listing Rules is not required to publish the first OC Announcement on the same date as it files the listing application and publishes the Application Proof. Instead, such new applicant shall publish its first OC</p> |

| No.   | Main Board Rules   | GEM Rules   | Query  | Response   |
|---|--|---|--|--|
|   |  |   |  | Announcement on the same date as it publishes its PHIP.  |
| 18.   | 2.07C(6)(a), 3A.37, 3A.41, 9.08(2), 12.01C, Practice Note 22 | 16.19(1), 6A.44, 6A.46, 12.10(2), 16.01C, Practice Note 5 | Does a listed issuer need to publish an OC Announcement on an appointment or termination of an overall coordinator in relation to the placings <u>other than in connection with a New Listing</u> ?                    | <p>No, the requirement for publication of an OC Announcement only applies to a new applicant effecting a placing involving bookbuilding activities in connection with a New Listing and does not apply to an offering by a listed issuer under Rule 3A.32(1)(a)(ii) or 3A.32(1)(b) (GEM Rule 6A.39(1)(a)(ii) or 6A.39(1)(b)).</p> <p>However, in an offering by a listed issuer under Rule 3A.32(1)(a)(ii) or 3A.32(1)(b) (GEM Rule 6A.39(1)(a)(ii) or 6A.39(1)(b)), it is required to notify the Exchange of the termination of an overall coordinator in writing as soon as practicable under Rule 3A.41(1) (GEM Rule 6A.46(1)).</p> |
| 19.   | 2.07C(6)(a), 3A.37, 3A.41, 9.08(2), 12.01C, Practice Note 22 | 16.19(1), 6A.44, 6A.46, 12.10(2), 16.01C, Practice Note 5 | <p>(i) Where will OC Announcements be posted?</p> <p>(ii) Do OC Announcements need to be pre-vetted by the Exchange prior to publication?</p> <p>(iii) What are the publication requirements for OC Announcements?</p> | <p>(i) OC Announcements will be posted on the “New Listings” page of the HKEXnews website.</p> <p>(ii) No</p> <p>(iii) As in the case of publication of Application Proofs and PHIPs, a new applicant shall submit the OC Announcement through HKEx-ESS for publication on the Exchange’s website, and is not required to publish the OC Announcement on its own website.</p>  |
| <b>Effective date and transitional arrangements</b> |  |   |  |  |

| No. | Main Board Rules | GEM Rules | Query  | Response   |
|-----|------------------|-----------|--|--|
| 20. | -                | -         | <p>The effective date of the New Code Provisions and Rule Amendments is 5 August 2022 (“<b>Effective Date</b>”). Which listing applications will the Rule Amendments apply to?</p> | <p>In respect of equity securities or interests to be issued in connection with placings specified under Rule 3A.32(1) (GEM Rule 6A.39(1)), listing applications submitted by new applicants or listed issuers (<i>Note</i>):</p> <p>(A) <b>on or after the Effective Date:</b> The Rule Amendments will fully apply to these listing applications, subject to the transitional arrangements described in FAQ No. 21.</p> <p>For placings in connection with New Listings, these include listing applications which have previously lapsed or been withdrawn and re-filed on or after the Effective Date.</p> <p>(B) <b>before the Effective Date:</b> The Rule Amendments will not apply to these listing applications, even if the Relevant Activities conducted in relation thereto take place on or after the Effective Date.</p> <p>In the event that these listing applications lapse, are withdrawn or are otherwise terminated, the relevant new applicants or listed issuers who re-file their listing applications on or after the Effective Date will need to comply with the applicable Rule Amendments, subject to the transitional arrangements described in FAQ No. 21.</p> <p>See FAQ No. 21 below for transitional arrangements in relation to the requirement on sponsor-overall coordinators under Rule 3A.43(2) in the Rule Amendments (only applicable to Main Board New Listings).</p> |

| No. | Main Board Rules | GEM Rules | Query   | Response  |
|-----|------------------|-----------|---|---|
|     |                  |           |   | <p><i>Note:</i> In the case of a New Listing, this refers to a listing application under Form A1 in Appendix 5 (or Form A in Appendix 5 for a GEM new applicant) for listing of equity securities, or Form A2 in Appendix 5 for listing of interests in a collective investment scheme. In other cases, this refers to a listing application under Form C1 in Appendix 5 (or Form B in Appendix 5 for a GEM new applicant) for listing of equity securities, Form C3 in Appendix 5 for listing of interests in a collective investment scheme, or Form C3Z in Appendix 5 for listing of interests in an investment company (as defined in Rule 21.01).</p>  |
| 21. | 3A.43            | N/A       | <p>In the event that a Main Board new applicant has already appointed a sponsor for its proposed New Listing (that involves a placing) before the Effective Date, is it required to terminate the existing sponsor engagement and re-appoint the relevant intermediary as a sponsor and an overall coordinator (or re-appoint the relevant intermediary as a sponsor and appoint an intermediary within its group of companies (“<b>group company</b>”) as an overall coordinator) at the same time for the purpose of complying with the requirement on sponsor-overall coordinators under Rule 3A.43(2) if the new applicant (A) re-files its</p> | <p>In general, sponsors are reminded of their responsibilities to advise their issuer clients on compliance with the rules and regulations that are expected to apply to the relevant listing applications at the relevant times.</p> <p><b>(A) Re-filings of listing applications of Main Board new applicants submitted before the Effective Date (“Pre-existing Listing Applications”)</b></p> <p>As set out in the “Information Paper on (i) Rule amendments on bookbuilding and placing activities in equity capital market transactions and sponsor coupling to complement the SFC’s new Code of Conduct provisions; and (ii) housekeeping Rule amendments” published by the Exchange on 22 April 2022 and FAQ No. 20 above, the Rule Amendments will not apply to Pre-existing Listing Applications.</p> |

| No. | Main Board Rules | GEM Rules | Query  | Response   |
|-----|------------------|-----------|--|--|
|     |                  |           | <p>listing application on or after the Effective Date after the previous listing application lapses, or (B) files its listing application for the first time on or after the Effective Date?</p> | <p>This means that Main Board new applicants are not required to appoint an overall coordinator or a sponsor-overall coordinator or comply with Rule 3A.43(2) in respect of such Pre-existing Listing Applications. In the event that the Pre-existing Listing Application lapses and is re-filed (<i>Note 1</i>) on or after the Effective Date, provided that:</p> <ul style="list-style-type: none"> <li>(i) the existing <u>independent sponsor</u> has been appointed as such <u>before the Effective Date and at least 2 months before</u> the submission of the re-filing, and the notification of the sponsor engagement has been submitted to the Exchange in accordance with Rule 3A.02A(1) and in any event <u>before the Effective Date</u> (<i>Notes 2 and 4</i>);</li> <li>(ii) the independent sponsor referred to in condition (i) above or its group company has also been appointed as an overall coordinator for the purpose of Rule 3A.43 <u>before the Effective Date and at least 2 months before</u> the submission of the re-filing (<i>Notes 3 and 5</i>);</li> <li>(iii) the engagements of such sponsor and overall coordinator remain valid and effective as at the time of the re-filing; and</li> <li>(iv) the re-filing is submitted <u>within 3 months</u> from the lapse of the last listing application,</li> </ul> <p>we would accept the overall coordinator referred to in condition (ii) above as having been duly appointed</p> |

| No. | Main Board Rules | GEM Rules | Query | Response   |
|-----|------------------|-----------|-------|--|
|     |                  |           |       | <p>as a sponsor-overall coordinator for the purpose of Rule 3A.43 even though its appointment as an overall coordinator was not made at the same time as it or its group company was appointed as a sponsor.</p> <p><b>(B) Certain listing applications submitted by Main Board new applicants for the first time on or after the Effective Date and their subsequent re-filings</b></p> <p>In the event that a Main Board new listing application is submitted for the first time on or after the Effective Date, the Rule Amendments shall apply. This means that, amongst other things, the Main Board new applicant whose listing is expected to involve a placing should appoint at least one sponsor-overall coordinator in accordance with the New Code Provisions and the Rule Amendments.</p> <p>However, we acknowledge that where a sponsor mandate has been entered into before the publication of the Rule Amendments (i.e. 22 April 2022) (“<b>Publication Date</b>”) but the listing application is only ready for submission on or after the Effective Date, the new applicant might not be able to strictly comply with the requirement to appoint the sponsor and the overall coordinator at the same time for the purpose of complying with the requirement on sponsor-overall coordinators under Rule 3A.43(2) when it submits the listing application for the first time on or after the Effective Date.</p> <p>The purpose of the Rule Amendments is not to require such new applicant to terminate the existing</p> |

| No. | Main Board Rules | GEM Rules | Query | Response   |
|-----|------------------|-----------|-------|--|
|     |                  |           |       | <p>sponsor engagement and re-appoint the relevant intermediary as a sponsor and an overall coordinator (or re-appoint the relevant intermediary as a sponsor and appoint its group company as an overall coordinator) in connection with such application and subsequent re-filings, provided that:</p> <ul style="list-style-type: none"> <li>(i) the new applicant has already appointed an independent sponsor <u>before the Publication Date</u>, and the notification of the sponsor engagement has been submitted to the Exchange in accordance with Rule 3A.02A(1) <u>before the Publication Date</u> (Note 4);</li> <li>(ii) the independent sponsor referred to in condition (i) above or its group company has also been appointed as an overall coordinator (Note 3) for the purpose of Rule 3A.43 <u>before the Effective Date and at least 2 months</u> before the submission of the initial application or re-filing (where applicable) (Note 5);</li> <li>(iii) the engagements of such sponsor and overall coordinator remain valid and effective as at the time of the submission of the initial application or re-filing (where applicable); and</li> <li>(iv) where applicable, the re-filing is submitted <u>within 3 months</u> from the lapse of the last listing application.</li> </ul> <p>Provided that the four conditions described above in Part (B) are met, we would accept the overall coordinator referred to in condition (ii) above as</p> |

| No. | Main Board Rules | GEM Rules | Query | Response  |
|-----|------------------|-----------|-------|---|
|     |                  |           |       | <p>having been duly appointed as a sponsor-overall coordinator for the purpose of Rule 3A.43.</p> <p>Under the circumstances where the conditions described above in Part (A) or (B) (as the case may be) are met, no application is required to be submitted by an new applicant or its sponsor for the Exchange’s consent for following the relevant transitional arrangement) However, where a new applicant intends to make use of the transitional arrangement in Part (A) or (B) above (as the case may be), the sponsor of the new applicant shall notify the Exchange in writing of the appointment of the overall coordinator under condition (ii) in Part (A) or (B) as soon as practicable after such appointment is made.</p> <p><i>Notes:</i></p> <ol style="list-style-type: none"> <li>1. This applies to subsequent re-filings as well provided that the conditions set out in Part (A) above are met.</li> <li>2. For the avoidance of doubt, if the notification of the initial sponsor engagement of the existing independent sponsor had previously been submitted to the Exchange in accordance with Rule 3A.02A(1), such notification will not need to be re-submitted to the Exchange for the purpose of fulfilling condition (i) of Part (A) above.</li> <li>3. For the avoidance of doubt, in respect of a sponsor-overall coordinator other than that referred to in condition (ii) in Parts (A) and (B) above (e.g. if the engagement of the sponsor-overall coordinator referred to in condition (ii) above ceases and another intermediary or intermediaries is/are engaged as a replacement sponsor-overall coordinator), a Main Board new applicant shall comply fully with, <i>inter alia</i>,</li> </ol> |

| No. | Main Board Rules | GEM Rules | Query | Response  |
|-----|------------------|-----------|-------|---|
|     |                  |           |       | <p>Rule 3A.43, including the requirement under Rule 3A.43(2) to make sure that the appointments of the sponsor and the overall coordinator in respect of such sponsor-overall coordinator are made at the same time.</p> <ol style="list-style-type: none"> <li data-bbox="1150 375 1982 597">4. In line with Rule 18B.78, references to “2 months” in condition (i) in Parts (A) and (B) above shall be modified to 1 month in the case of a placing involving bookbuilding activities (as defined under the Code of Conduct) in connection with the New Listing of a SPAC.</li> <li data-bbox="1150 602 1982 824">5. References to “2 months” in condition (ii) in Parts (A) and (B) above shall be modified to 1 month in the case of a placing involving bookbuilding activities (as defined under the Code of Conduct) in connection with the New Listing of a SPAC. See also FAQ No. 9A above.</li> </ol> <p>Considering the new obligations and additional responsibilities under the Rule Amendments, Main Board new applicants are reminded to take into account the conditions set out above if they wish to rely on the transitional arrangements to avoid any unintended delay in their listing timetables and be mindful of, among others, (a) the timing for negotiating and entering into a new/additional engagement with their existing independent sponsor (or its group company) and/or overall coordinator; (b) the preparation required in advance for a re-filing to be submitted within 3 months from the lapse of the last listing application; and (c) any contingencies which may result in a re-filing on or after the Effective Date (e.g. delay of the listing date to after the Effective Date and lapse of the listing application shortly before it).</p> |

| No. | Main Board Rules  | GEM Rules  | Query   | Response   |
|-----|---|--|---|--|
|     |   |  |   | <p>We have set out some illustrative examples highlighting the key dates in respect of the transitional arrangements in the Appendix.</p> <p><b><i>(Updated in May 2022)</i></b></p>   |
| 22. | 2.07C(6)(a), 3A.37, 3A.41(2), 9.08(2), 12.01C, Practice Note 22 | 16.19(1), 6A.44, 6A.46(2), 12.10(2), 16.01C, Practice Note 5 | A new applicant has submitted a listing application before the Effective Date, which remains valid as at the Effective Date. If the new applicant appoints or terminates the engagement of an overall coordinator after the Effective Date, does it need to publish an OC Announcement? | <p>In the scenario described, the new applicant will not be required to publish an OC Announcement on the appointment or termination of the engagement of an overall coordinator that takes place after the Effective Date, as the Rule Amendments are not applicable to listing applications submitted prior to the Effective Date. For example, if a new applicant submits a listing application 1 week before the Effective Date, it will not be required to publish an OC Announcement in respect of the appointment of an overall coordinator during the 2-week period following the submission date of the listing application (even if such appointment takes place in the first week following the Effective Date).</p> <p>In the event the new applicant re-files a listing application on or after the Effective Date, it will need to comply with the applicable Rule Amendments, including those in relation to the publication of OC Announcements.</p> |

## Appendix

If a Main Board new applicant expects a potential need to re-file or submit its first listing application\* on or after the Effective Date, the following examples# illustrate the key dates that should be noted for fulfilling the conditions in Part (A) (“**Part (A)**”) or Part (B) (“**Part (B)**”) in FAQ No. 21 above in order to follow the transitional arrangements in relation to compliance with Rule 3A.43(2) in the Rule Amendments:

|  | <i>(For illustration only)</i><br>Date of lapse of the last listing application | <i>(For illustration only)</i><br>Date of appointment of the existing independent sponsor (referred to in condition (i) in Part (A) or (B)*) (“Existing Sponsor”) | <i>(For illustration only)</i><br>Date of appointment of the Existing Sponsor or its group company as an overall coordinator for the purpose of Rule 3A.43 | Earliest date** of re-filing or first submission* under Part (A) or (B)*: |
|--|---|---|--|---|
| <b>Re-filing under Part (A)</b>        | 5 May 2022  | 1 May 2021  | 5 June 2022  | 5 August 2022   |
|  | 4 July 2022   |   | 4 August 2022  | 4 October 2022  |
|  | 4 July 2022   |   | 5 August 2022  | N/A (Note 1)  |
|  | 4 May 2022  |   | 5 June 2022  | N/A (Note 2)  |
| <b>First submission under Part (B)</b> | N/A   | 21 April 2022   | 5 June 2022  | 5 August 2022   |
|  |   | 21 April 2022   | 4 August 2022  | 4 October 2022  |
|  |   | 22 April 2022   | 4 August 2022  | N/A (Note 3)  |
|  |   | 21 April 2022   | 5 August 2022  | N/A (Note 4)  |

\* As the case may be

\*\* Earliest date in order to comply with the requirement of appointing the overall coordinator in condition (ii) of Part (A) or Part (B)\* in FAQ No. 21 at least 2 months before the re-filing or first submission\*

#For the avoidance of doubt, the illustrative examples in this Appendix do not apply to a placing involving bookbuilding activities (as defined under the Code of Conduct) in connection with the New Listing of a SPAC. Please refer to Notes 4 and 5 to FAQ No. 21 for details. **(Added in May 2022)**

*Notes:*

1. As the date of appointment of the Existing Sponsor or its group company as an overall coordinator is 5 August 2022, i.e. not before the Effective Date, condition (ii) of Part (A) is not met and the re-filing could not be made in reliance of the transitional arrangements in Part (A).

Accordingly, for a new applicant which intends to rely on the transitional arrangements in Part (A) to comply with Rule 3A.43 and re-file its listing application on or after the Effective Date, the Existing Sponsor or its group company must be duly appointed as an overall coordinator for the purpose of Rule 3A.43 latest by **4 August 2022** (provided that the re-filing date is at least 2 months after such appointment date, but within 3 months from the date of lapse of the last listing application).

2. As Part (A) provides that the overall coordinator appointment should be made at least 2 months before the re-filing, the earliest date\*\* on which the re-filing could be made is 5 August 2022 in this example. However, this would result in the new applicant in this example not meeting condition (iv) of Part (A) (which requires the re-filing to be made by 4 August 2022, i.e. within 3 months from 4 May 2022, the date of lapse of the last listing application). Thus, re-filing could not be made in reliance of the transitional arrangements in Part (A) in this example.
3. As the Existing Sponsor is appointed as a sponsor on 22 April 2022, i.e. not before the Publication Date, condition (i) of Part (B) is not met and the first submission of the listing application could not be made in reliance of the transitional arrangements in Part (B).

Accordingly, for a new applicant which intends to rely on the transitional arrangements in Part (B) to comply with Rule 3A.43 and submit its initial listing application on or after the Effective Date, the Existing Sponsor must be duly appointed, together with the notification of the sponsor engagement submitted to the Exchange in accordance with Rule 3A.02A(1), no later than **21 April 2022**.

4. As the date of appointment of the Existing Sponsor or its group company as an overall coordinator is 5 August 2022, i.e. not before the Effective Date, condition (ii) of Part (B) is not met and the first submission could not be made in reliance of the conditions in Part (B).

Accordingly, for a new applicant which intends to rely on the transitional arrangements in Part (B) to comply with Rule 3A.43 and submit its initial listing application on or after the Effective Date, the Existing Sponsor or its group company must be duly appointed as an overall coordinator for the purpose of Rule 3A.43 latest by **4 August 2022** (provided that the submission date of its listing application is at least 2 months after such appointment date).