

## **Amendments to GEM Listing Rules**

### **Chapter 26**

#### **DEBT SECURITIES**

**~~(OTHER THAN SELECTIVELY MARKETED SECURITIES)~~**

#### **METHODS OF LISTING**

- 26.01 This Chapter does not apply to debt issues to professional investors only. All other debt securities ~~Debt Securities (other than selectively marketed securities)~~ may be brought to listing by any of the methods described below.

### **Chapter 27**

#### **DEBT SECURITIES**

**~~(OTHER THAN SELECTIVELY MARKETED SECURITIES)~~**

#### **QUALIFICATIONS FOR LISTING**

##### **Preliminary**

- 27.01 This Chapter does not apply to debt issues to professional investors only. ~~This Chapter~~ It sets out the basic conditions which have to be met as a pre-requisite to the listing of debt securities. ~~They apply to every method of listing with the exception of those which are selectively marketed. The requirements for issues by way of selective marketing are set out in Chapter 30.~~

### **Chapter 28**

#### **DEBT SECURITIES**

**~~(OTHER THAN SELECTIVELY MARKETED SECURITIES)~~**

## APPLICATION PROCEDURES AND REQUIREMENTS

### Preliminary

28.01 This Chapter does not apply to debt issues to professional investors only.  
~~This Chapter~~ It sets out the procedures and requirements for applications for the listing of debt securities, ~~(other than selectively marketed securities)~~ The requirements in relation to ~~selectively marketed securities~~ are set out in Chapter 30.

## Chapter 29

### DEBT SECURITIES

### ~~(OTHER THAN SELECTIVELY MARKETED SECURITIES)~~

### LISTING DOCUMENTS

### Preliminary

29.01 This Chapter does not apply to debt issues to professional investors only.  
~~This Chapter~~ It sets out the Exchange's requirements for the contents of listing documents relating to debt securities ~~(other than selectively marketed securities)~~. The requirements in relation to ~~selectively marketed securities~~ are set out in Chapter 30...

The existing Chapter 30 of the GEM Rules is deleted entirely and replaced with the following:

## Chapter 30

### DEBT SECURITIES

#### DEBT ISSUES TO PROFESSIONAL INVESTORS ONLY

##### Introduction

- 30.01 This Chapter deals with debt issues to professional investors only. It sets out the qualifications for listing, application procedures, contents of listing documents and the obligations that apply after listing.

##### Listing Approval

- 30.02 A listing application may be approved by
- (a) A member of the Listing Division to whom the Executive Director – Listing has delegated authority;
  - (b) The Executive Director – Listing (who may also delegate approval authority within the Listing Division); or
  - (c) The Listing Committee.

##### Applicants' Qualifications for Listing

- 30.03 An issuer must be a company whose equity securities are listed on GEM or will be listed on GEM before any debt securities are listed.
- 30.04 If an issuer does not meet the eligibility criteria above it is eligible for a listing of guaranteed debt securities if:
- (a) It is a body corporate that is validly incorporated or established; and
  - (b) It is wholly owned by a body corporate that meets the eligibility criteria above; and
  - (c) Its owner guarantees its obligations; and
  - (d) It and its owner agree to comply with the Listing Rules.

##### Securities' Qualifications for Listing

- 30.05 The debt securities must be freely transferable with a board lot of at least HK\$500,000 (or equivalent in other currencies).

- 30.06 The debt securities must have been validly authorised.
- 30.07 The debt securities:
- (a) must comply with the law of the place where the issuer is incorporated or established; and
  - (b) must comply with the issuer's memorandum and articles of association.
- 30.08 If an issuer is issuing guaranteed debt securities under Rule 30.04 the guarantee:
- (a) Must have been validly authorised;
  - (b) Must comply with the guarantor's memorandum and articles of association, if the guarantor is a body corporate; and
  - (c) Must comply with the law of the place where the guarantor is incorporated or established.

### **Convertible Securities**

- 30.09 This section sets out additional requirements that apply if debt securities are convertible.
- 30.10 If debt securities are convertible they must be convertible into :
- (a) Shares listed or to be listed on the Exchange or another stock exchange; or
  - (b) Depositary receipts listed or to be listed on the Exchange or another stock exchange; or
  - (c) Other assets that the Exchange has agreed in writing are acceptable.
- 30.11 If debt securities are convertible into shares that have not yet been issued:
- (a) The issuance of the shares must have been validly authorised; and
  - (b) The listing of the shares must have been validly authorised.
- 30.12 If debt securities are convertible into shares (or into depositary receipts) the terms of the issue must provide for appropriate adjustments to the conversion terms if there is a change in the capital of the issuer of those shares or a change in the capital of the issuer whose shares underlie the depositary receipts.
- 30.13 The Exchange treats debt securities with non-detachable warrants to subscribe for equity securities or other assets as convertible securities.

### **Options, Warrants and Similar Rights**

- 30.14 This section sets out additional requirements that apply to options, warrants or similar rights

- 30.15 The securities underlying the options, warrants or similar rights must be:
- (a) Debt securities that are listed or to be listed the Exchange;
  - (b) Debt securities listed or to be listed on another stock exchange; or
  - (c) Other debt security that the Exchange has agreed in writing is acceptable.
- 30.16 If the underlying debt securities have not yet been issued:
- (a) Their issuance must have been validly authorised; and
  - (b) Any listing of them must have been validly approved.
- 30.17 If options, warrants or similar rights are convertible into debt securities, the terms of the issue must provide for appropriate adjustments to the conversion rights if there is a change in those debt securities.

### **Listing Document**

30.18 This section sets out the information that an issuer must disclose in its listing document and other requirements relating to the listing document. For debt issuance programmes these requirements apply to the base listing document and the supplementary listing document for each issue under the programme.

30.19 A listing document must contain a disclaimer statement:

“Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, 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 document.”

The disclaimer must be legible and appear on the front cover or inside cover of the listing document.

30.20 A listing document must contain the following statement:

“Characteristics of The Growth Enterprise Market (GEM) of The Stock Exchange of Hong Kong Limited (the “Exchange”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM there is a risk that securities traded on GEM may be more susceptible to high market volatility

than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.”

30.21 A listing document must contain a responsibility statement:

“This document includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the issuer. The issuer accepts full responsibility for the accuracy of the information contained in this document and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.”

The Exchange may allow others to make the statement but an issuer must seek prior consent for this.

30.22 A listing document must contain the information that the investors an issuer is offering the securities to would customarily expect it to contain. It need not comply with Appendix 1, part C.

30.23 A listing document must contain any additional information that the Exchange requires.

30.24 A listing document must contain a statement limiting its distribution to professional investors only.

30.25 A listing document must be in English or Chinese.

30.26 A listing document may be in printed or electronic form.

### **Application Procedures**

30.27 This section sets out the procedures that an issuer must follow to apply for listing of securities or listing of a debt programme. An application involves determining whether an issuer is eligible for listing and whether securities are eligible for listing. The Exchange will use the information that an issuer supplies to make these assessments. The documents an issuer submits must be in English or Chinese or translated into one of these languages.

30.28 An issuer must submit the following documents:

- (a) Completed application form. If an issue is guaranteed the guarantor must also complete the application form. This is set out in Appendix 5, part C.
- (b) Listing fee as provided in Appendix 9
- (c) Draft Listing document.
- (d) Draft formal notice of listing.

- (e) If an issuer is not listed on GEM a copy of its memorandum and articles of association, certificate of incorporation or equivalent to show that the issuer is validly incorporated or established.
- (f) If debt securities have been authorised by shareholders then a copy of the resolution.
- (g) A copy of the resolutions by the issuer's board of directors authorising
  - (1) the issue and allotment of the debt securities
  - (2) the application for listing
  - (3) issuing the listing document.
- (h) If an issue is guaranteed, a copy of the resolutions by the guarantor's board of directors authorising
  - (1) the listing application
  - (2) issuing of the listing document.
- (i) If an issue is convertible into shares a copy of the approvals authorising the issue and listing of those shares.

An issuer may submit drafts of the application form in (a) and the authorisations and resolutions in (f), (g) and (h) to enable the Exchange to consider whether an issue and issuer are eligible for listing. The final resolutions and authorisations in (f), (g) and (h) may be submitted after the listing application but before listing.

- 30.29 After the Exchange has considered an application it will issue a Listing Eligibility letter. In this letter it will advise an issuer whether it and its debt securities are eligible for listing. The Exchange will also indicate whether it requires include additional information in the listing document. The letter is valid for three months from the date of issue. For routine applications the Exchange aims to issue this letter 5 business days after it receives the application.
- 30.30 An issuer must not issue the listing document in final form until the Exchange has confirmed that the issuer may issue it. A draft may be circulated for the purpose of arranging underwriting, syndication and marketing of the offering to professional investors.
- 30.31 In the period from when the listing document is issued to the date of listing an issuer must advise the Exchange of any material event that it would have disclosed in the listing document if it had been aware of the event before the listing document was finalised.
- 30.32 An issuer must publish a formal notice on listing. The notice must be in English or Chinese. A model form of notice is set out in Appendix 10.

### **Programmes**

- 30.33 This section sets out the procedures for listing securities under a programme that the Exchange has approved.
- 30.34 A debt programme that the Exchange has approved is valid for issuing debt securities for one year after the date it is published.

- 30.35 An issuer must submit the pricing supplement for an issue under a programme before 2:00 pm of the business day before listing is required to become effective. It must not issue the pricing supplement until the Exchange has confirmed that the issuer may issue it.
- 30.36 The Exchange will approve the listing of all securities issued under a valid programme subject to the issuer:
- (a) Notifying it of the final terms of each issue;
  - (b) Confirming that the securities have been issued; and
  - (c) Paying the appropriate listing fee before listing.

### **Continuing Obligations**

- 30.37 This section sets out the obligations that apply to an issuer if the Exchange agrees to list its securities. If the securities are guaranteed then the guarantor must also comply with these obligations. An issuer must comply with these obligations
- (a) until the securities expire or
  - (b) until they are withdrawn from listing.
- 30.38 If an issuer is required to announce information then
- (a) it must do so by an announcement under Rules 16.17 and 16.18, except that the announcement may be in English or Chinese only.
  - (b) The announcement must include the following disclaimer:  
  
“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 document.”
- 30.39 An issuer must comply with the Listing Rules in force from time to time.
- 30.40 An issuer must immediately announce any information which
- (a) Is necessary for investors to appraise its position or
  - (b) Is necessary to avoid a false market in its securities or
  - (c) May have a material affect on its ability to meet the obligations under its debt securities.
- 30.41 An issuer must announce as soon as possible:
- (a) If aggregate redemptions or cancellations exceed 10% and every subsequent 5% interval of an issue.
  - (b) Any public disclosure made on another stock exchange about its debt securities.
- 30.42 An issuer must notify the Exchange in advance of any proposal to
- (a) Replace a trustee for bondholders; or

- (b) Amend the trust deed or.
- (c) Amend the terms of convertible debt securities unless that amendment occurs automatically in accordance with the terms of the debt securities.

An issuer must not proceed with any proposed change until the Exchange has advised whether it will impose conditions for the change.

- 30.43 An issuer must notify the Exchange as soon as possible if
- (a) It has repurchased and cancelled all of an issue of its listed debt securities; or
  - (b) It has redeemed all of an issue of its listed debt securities prior to the maturity date; or
  - (c) All of an issue of convertible debt securities has been fully converted
- The Exchange will then formally delist the debt securities.
- 30.44 An issuer must notify the Exchange as soon as possible if its debt securities are listed on another stock exchange.
- 30.45 An issuer must provide the Exchange with a copy of any circular that is sent to bondholders or to any trustee. If the circular is published on a website and the issuer notifies the Exchange when it is published on that site it does not have to send it a printed copy.
- 30.46 If an issuer is a body corporate it must provide the Exchange with its annual accounts and any interim report when they are issued. An issuer is exempt from this requirement if its securities are guaranteed by a body corporate in which case it must provide the guarantor's annual accounts and interim report. The Exchange will accept a printed or electronic copy. If the annual accounts or interim report are published on a website and the issuer notifies the Exchange when they are published on that site it does not have to send it a printed copy.

### **Authorised Representative**

- 30.47 An issuer must appoint two authorised representatives to communicate with the Exchange and must notify the Exchange of any change of representative. The representatives do not have to be resident in Hong Kong.

### **Other**

- 30.48 If an issuer or its securities does not comply with these requirements the Exchange will not list them unless it agrees to modify these requirements.
- 30.49 The Exchange may accept or reject a listing application or make listing subject to additional conditions.
- 30.50 The Exchange may impose additional obligations on an issuer or guarantor. The Exchange will allow an issuer or guarantor to make representations before imposing requirements on it that are not imposed on issuers of debt securities generally.

## Definitions

30.51 In this Chapter the following definitions apply:

<b>“bearer securities”</b>	securities transferable to bearer
<b>“convertible debt securities”</b>	debt securities convertible into or exchangeable for equity securities or other property and debt securities with non-detachable options, warrants or similar rights to subscribe or purchase equity securities or other property attached.
<b>“debt issuance programmes”</b>	issues of debt securities where only part of the maximum principal amount or aggregate number of securities under the issue is issued initially and a further tranche or tranches may be issued subsequently
<b>“debt securities”</b>	debenture or loan stock, debentures, bonds, notes and other securities or instruments acknowledging, evidencing or creating indebtedness, whether secured or unsecured and options, warrants or similar rights to subscribe or purchase any of the foregoing and convertible debt securities.
<b>“Professional Investor”</b>	(a) For a person in Hong Kong a professional investor as defined in Part 1 of Schedule 1 to the Securities and Futures Ordinance (excluding those prescribed by rules made under section 397 of that Ordinance); or (b) For a person outside Hong Kong, a professional investor is a person to whom securities may be sold in accordance with a relevant exemption from public offer regulations in that jurisdiction.
<b>“stock exchange”</b>	Any stock exchange that is a member of the World Federation of Exchanges

## Chapter 31

### DEBT SECURITIES

#### CONTINUING OBLIGATIONS

##### Preliminary

31.01 This Chapter does not apply to debt issues to professional investors only. An issuer of debt securities and its guarantor, in the case of a guaranteed issue, shall comply...

Notes:

~~1~~ — ~~This Chapter applies equally to issuers and guarantors, in the case of guaranteed issues of non-selectively marketed and selectively marketed debt securities —~~

12 References in this Chapter to issuers shall apply equally to guarantors in the case of guaranteed issues.

## Chapter 32

### DEBT SECURITIES

#### OVERSEAS ISSUERS

##### Preliminary

32.01 Chapter 30 applies to debt issues to professional investors only by overseas issuers. The GEM Listing Rules apply to other debt issues by overseas issuers as they do to Hong Kong issuers, subject to the additional requirements, modifications or exceptions set out or referred to in this Chapter. ~~This Chapter applies equally to overseas issuers of selectively marketed debt issues.~~

## Chapter 33

### DEBT SECURITIES

#### OPTIONS WARRANTS AND SIMILAR RIGHTS

33.01 This Chapter does not apply to debt issues to professional investors only. This Chapter applies to options, warrants and similar rights to subscribe or purchase

debt securities (“warrants”) which are issued or granted on their own by an issuer or any of its subsidiaries and to warrants which are attached to other debt securities. Warrants which are attached to other securities but which are non-detachable are convertible securities and are also subject to the provisions of Chapter 22 (convertible equity securities), or 34 (convertible debt securities) as appropriate.

## **Chapter 34**

### **DEBT SECURITIES**

#### **CONVERTIBLE DEBT SECURITIES**

- 34.01 This Chapter does not apply to convertible debt issues to professional investors only. All convertible debt securities must, prior to the issue thereof, be approved by the Exchange and the Exchange should be consulted at the earliest opportunity as to the requirements which will apply.

## **Chapter 35**

### **DEBT SECURITIES**

#### **TAP ISSUES, DEBT ISSUANCE PROGRAMMES AND ASSET-BACKED SECURITIES**

- 35.01 This Chapter sets out the requirements in relation to tap issues, debt issuance programmes and asset-backed securities. It does not apply to debt issues to professionals only.”

## Appendix 2

### Documents of Title

#### Part B

...

#### Bearer Securities

13. Except for debt issues to professional investors only, —Other than for selectively marketed securities, proofs of securities and any coupons...

## Appendix 4

### Trust Deeds or Other Documents Securing or Constituting Debt Securities

The provisions of this appendix do not apply to debt issues to professional investors only. If there is a trustee ...

## Appendix 5

### FORMS RELATING TO LISTING

#### Form C

#### Application Form – Debt securities

This form must be lodged duly completed ... as follows:

- (i) in circumstances where the application is required to be supported by a listing document at least 10 clear business days prior to the provisional hearing date of the application by the GEM Listing Committee or in the case of debt issues

~~to professional investors only~~ a selectively marketed issue, such other period  
as may be agreed with the Exchange; or...

## **Appendix 10**

### **MODEL FORMS OF FORMAL NOTICE**

#### **FORM D**

~~For Selective Marketings~~

**FOR DEBT ISSUES TO PROFESSIONAL INVESTORS ONLY**