

# GEM Rules

## Chapter 1

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### INTERPRETATION

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

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**“professional accountant”** a person registered as a ~~professional accountant~~ certified public accountant under the Professional Accountants Ordinance

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## Chapter 7

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*Specific detail concerning financial information*

7.04 The report on results and financial position under rules 7.03(1) to (4) above must disclose separately at least the following information:—

(1) Income statement

...

(i) profit (or loss) attributable to non-controlling ~~minority~~ interests;

...

(2) Balance sheet information as follows, if applicable:

...

(h) non-controlling ~~minority~~ interests.

...

## Chapter 17

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### *Announcement of issues of securities*

17.30 Where the directors agree to issue any securities for cash in accordance with rule 17.39 or 17.41, an issuer shall publish an announcement as soon as possible, but in any event not later than the time that is 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the next business day, containing the following information:—

...

- (15) any other material information with regard to the issue (including any restrictions on the ability of the issuer to issue further securities or any restrictions on the ability of the allottees to dispose of shares issued to them or any restrictions on the ability of existing shareholders to dispose of their securities arising in connection with the allotment).

*Notes: (1) This rule does not apply to a grant of options or issue of securities under a share option scheme which complies with Chapter 23. For these, the issuer must follow the announcement requirement under rule 23.06A.*

*(2) For any exercise of these options, the issuer must follow the disclosure obligations under rules 17.27A and 17.27B.*

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### **Changes**

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

...

- (2) ...

Where a new director, supervisor or chief executive is appointed or the resignation, re-designation, retirement or removal of a director, a supervisor or chief executive takes effect, the issuer must ~~publish an announcement of~~ the change as soon as practicable and include the following details of any newly appointed or re-designated director, supervisor or chief executive in the announcement:-

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## Chapter 18

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### *Content of preliminary announcement*

18.50 The preliminary announcement of results for the financial year must contain at least the following information in respect of the group:

...

- (6) a statement as to whether the listed issuer meets the code provisions set out in the ~~Code on Corporate Governance Practices~~ Corporate Governance Code contained in Appendix 15. The listed issuer must also disclose any deviations from the code provisions and considered reasons ...

...

18.50B Except for banking companies, which must comply with rule 18.80, the preliminary announcements of results for the half-year, preliminary announcements of results for the financial year, half-year reports and annual reports of a listed issuer must contain at least the following information in respect of the group:—

- (1) Income statement

...

- (i) profit (or loss) attributable to non-controlling ~~minority~~ interests;

...

- (n) share of profit (or loss) of associated companies and jointly controlled entities attributable to equity holders (i.e. after tax and non-controlling ~~minority~~ interests in the associated companies and jointly controlled entities); and

...

- (2) Balance sheet information as follows, if applicable:

...

- (h) non-controlling ~~minority~~ interests; and

...

*Content of half-year reports*

18.55 Each half-year report shall contain at least the following information in respect of the group:—

...

- (4) a statement in relation to the accounting period covered by the half-year report on whether the listed issuer meets the code provisions set out in the ~~Code on Corporate Governance Practices~~ Corporate Governance Code contained in Appendix 15. Where there are any deviations from the code provisions in the Code, the listed issuer must also give considered reasons for the deviations from the code provisions, either by:

...

...

**Preliminary announcement of results for each of the first 6 months of each financial year**

18.78 A listed issuer must publish (in accordance with the requirements of Chapter 16) a preliminary announcement of the results for the first 6 months of each financial year, containing at least the information set out below ... not later than 45 days after the end of such period:

...

- (4) a statement as to whether the listed issuer meets the code provisions set out in the ~~Code on Corporate Governance Practices~~ Corporate Governance Code contained in Appendix 15. The listed issuer must also disclose any deviations from the code provisions and considered reasons for such deviations ...

...

**Preliminary announcement of results for each of the first 3 and 9 month periods of each financial year**

18.79 Except for banking companies ... The issuer must publish such results not later than 45 days after the end of such period:

...

- (4) profit (or loss) attributable to non-controlling ~~minority~~ interests;

...

## Chapter 19

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### *Profits*

- 19.13 Profits mean net profits after deducting all charges except taxation and before non-controlling minority interests ~~and extraordinary items~~ (See also rule 19.17). In the case of an acquisition or disposal of assets (other than equity capital) through a non wholly-owned subsidiary, the profits attributable to the assets acquired or disposed of (and not the listed issuer's proportionate interest in such profits) will form the numerator for the purpose of the profits ratio.

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### **Contents of announcements**

#### *All transactions*

- 19.58 The announcement for a share transaction, discloseable transaction, major transaction, very substantial disposal, very substantial acquisition or reverse takeover must contain at least the following information:—

...

- (8) where applicable, the net profits (both before and after taxation ~~and extraordinary items~~) attributable to the assets which are the subject of the transaction for the two financial years immediately preceding the transaction;

...

## Chapter 35

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### **Asset-backed securities**

#### *Qualifications for listing*

- 35.12 The following additions and exceptions to the qualifications for listing apply to issuers of asset-backed securities:

...

- (2) where an issue of asset-backed securities is backed by equity securities, those securities must be listed on a stock exchange or traded on another regulated and regularly operating open market; the equity securities must represent non-controlling minority interests in and must not confer legal or management control of the companies issuing the equity securities ...

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## **Appendix 17**

### **Headline Categories**

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

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### **Schedule 1**

#### **Headline Categories for Announcements and Notices**

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#### **Corporate Positions and Committees/Corporate Changes**

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Terms of Reference of the Audit Committee  
Terms of Reference of the Remuneration Committee  
Terms of Reference of the Nomination Committee  
Terms of Reference of Other Board Committees

...

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

Announcement by Offeree Company pursuant to under the Takeovers Code  
Announcement by Offeror Company pursuant to under the Takeovers Code

...

## Schedule 2

### Headline Categories for Circulars

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

Document issued by Offeree Company pursuant to under the Takeovers Code

Document issued by Offeror Company pursuant to under the Takeovers Code

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