
AMENDMENTS TO THE GEM RULES

Chapter 5

GENERAL

DIRECTORS, COMPANY SECRETARY, BOARD COMMITTEES, AUTHORISED REPRESENTATIVES AND CORPORATE GOVERNANCE MATTERS

Directors

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- 5.02 Directors must ~~satisfy the Exchange that they~~ have the character, experience and integrity and ~~be~~ able to demonstrate a standard of competence commensurate with their position as directors of an issuer. The Exchange may request information regarding the background, experience, other business interests or character of any director or proposed director of an issuer. The Exchange expects all directors of an issuer:—

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Independent non-executive directors

- 5.05 Every board of directors of an issuer must include~~Subject to the transitional provisions in rule 5.08:~~

- (1) ~~every board of directors of an issuer must include~~ at least 3 independent non-executive directors; and
- (2) at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise.

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- 5.07 In addition to fulfilling the requirements and continuing obligations of rules 5.01, 5.02 and 5.09, every independent non-executive director must ~~have~~satisfy the Exchange that he has the character, integrity, independence and experience to fulfil his role effectively. The Exchange may stipulate a minimum number of independent non-executive directors which is higher than 3 if, in the opinion of the Exchange, the size of the board or other circumstances of the issuer justify it.

- 5.08 [Repealed 1 October 2020]~~In respect of all issuers whose securities were admitted to listing on or before 31 March, 2004, the following transitional provisions apply:—~~

~~(1) the issuer must have at least one independent non-executive director who has appropriate professional qualifications or accounting or related financial management expertise by 30 September, 2004; and~~

~~(2) the issuer must have at least 3 independent non-executive directors by 30 September, 2004.~~

5.09 In assessing the independence of non-executive directors, the Exchange will take into account the following factors, none of which is necessarily conclusive. Independence is more likely to be questioned if the director:—

(1) holds more than 1% of the number of issued shares of the issuer;

Notes: 1. An issuer wishing to appoint an independent non-executive director holding an interest of more than 1% must demonstrate satisfy the Exchange, prior to such appointment, that the candidate is independent. A candidate holding an interest of 5% or more will normally not be considered independent.

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5.10 Where a proposed independent non-executive director fails to meet any of the independence guidelines set out in rule 5.09, the issuer must demonstrate ~~to the satisfaction of the Exchange~~, prior to the proposed appointment, that the person is independent. The issuer must also disclose the reasons why such person is considered to be independent in the announcement of his appointment as well as in the next annual report published after his appointment. In cases of doubt, the issuer must consult the Exchange at an early stage.

5.11 ~~[Repealed 1 October 2020] Independent non-executive directors who were appointed by issuers on or before 31 March, 2004 shall submit to the Exchange a written confirmation in respect of the factors set out in rule 5.09 concerning their independence no later than 30 September, 2004.~~

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Company secretary

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5.15 In each financial year an issuer's company secretary must take no less than 15 hours of relevant professional training.

Note: A person who was a company secretary of an issuer:

~~(1) on or after 1 January 2005 must comply with rule 5.15 for the financial year commencing on or after 1 January 2012;~~

~~(2) — between 1 January 2000 to 31 December 2004 must comply with rule 5.15 for the financial year commencing on or after 1 January 2013;~~

~~(3) — between 1 January 1995 to 31 December 1999 must comply with rule 5.15 for the financial year commencing on or after 1 January 2015; and~~

~~(4) — on or before 31 December 1994 must comply with rule 5.15 for the financial year commencing on or after 1 January 2017.~~

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Audit committee

5.28 Every issuer must establish an audit committee comprising non-executive directors only. The audit committee must comprise a minimum of 3 members, at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required in rule 5.05(2). The majority of the audit committee members must be independent non-executive directors of the issuer. The audit committee must be chaired by an independent non-executive director.

Notes: 1 ...

~~2 [Repealed 1 October 2020]The transitional provisions set out in rule 5.08 shall apply.~~

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Chapter 7

GENERAL

ACCOUNTANTS' REPORTS AND PRO FORMA FINANCIAL INFORMATION

When required

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Scope

7.01A For the purpose of rules 7.03(2), 7.03(4), 7.04A and 7.30: —

(1) “acquisitions of business” include acquisitions of associates and any equity interest in another company. The rules generally do not apply to acquisitions of assets, but the Exchange may consider such transactions to be acquisitions of business based on specific facts and circumstances. For example, the Exchange may consider the substance of the transaction and guidance under relevant accounting standards;

- (2) “trading record period” refers to the two financial years immediately preceding the issue of the listing document and any stub period reported on by the reporting accountants in conformity with rule 11.11; and
- (3) “proposed to be acquired” refers to a proposal to acquire a specific subsidiary or business, even if there are no legally binding agreements. Examples include a memorandum of understanding entered into by a new applicant, and a tender that a new applicant has submitted, or will submit, for the acquisition of any business or subsidiary in the case of an open bid/tender invitation.

Basic contents of accountants’ report for a listing document

7.03 In the case of a new applicant (rule 7.01(1)) and an offer of securities to the public for subscription or purchase falling within rule 7.01(2), the accountants’ report must include:—

History of results

- (1) ...
- (2) the results of any business or subsidiary acquired, agreed to be acquired or proposed to be acquired since the date to which the latest audited financial statements of the issuer have been made up (on the same basis, where the subsidiary is itself a holding company, as in (1) above) in respect of each of the 2 financial years referred to in (1) above (or in respect of the period since commencement of such business or the incorporation or establishment of such subsidiary, as the case may be, if this occurred within such 2 year period).
- ...
- (4)(a) the statement of financial position of any business or subsidiary acquired, agreed to be acquired or proposed to be acquired since the date to which the latest audited financial statements of the issuer have been made up (on the same basis, where the subsidiary is itself a holding company, as in (3) above) in each case as at the end of each of the two financial years to which the latest audited financial statements of such business or subsidiary (as the case may be) have been made up;
- (b) ...

Notes: For the purpose of rules 7.03(2) and 7.03(4):—

- (1) if a new applicant has entered into a legally binding acquisition agreement after the trading record period but the acquisition will not be completed upon listing, the completion of the acquisition after the new applicant's listing will not be subject to the notification, disclosure and shareholders' approval requirements under Chapters 19 and 20 (where applicable), only if the new applicant has disclosed all information as required under rules 7.03(2) and 7.03(4) in its listing document and there have been no material changes to the acquisition and information disclosed;
- (2) the financial information on the business or subsidiary acquired, agreed to be acquired or proposed to be acquired must normally be drawn up in conformity with accounting policies adopted by the new applicant and be disclosed in the form of a note to the accountants' report or in a separate accountants' report;
- (3) where an acquisition of a business or subsidiary is subject to the relevant requirements under the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance because the listing proceeds, or any part thereof, are or is to be applied directly or indirectly for the acquisition, the financial information of the acquisition target has to be disclosed in a separate accountants' report; and
- (4) the Exchange may consider an application for a waiver from strict compliance with rules 7.03(2) and 7.03(4)(a) taking into account the following:—
 - (a) that all the percentage ratios (as defined under rule 19.04(9)) are less than 5% by reference to the most recent audited financial year of the new applicant's trading record period;
 - (b) if the acquisition will be financed by the proceeds raised from a public offer, the new applicant has obtained a certificate of exemption from the Commission with the relevant requirements under paragraphs 32 and 33 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance; and
 - (c) (i) where a new applicant's principal activities involve the acquisition of equity securities (the Exchange may require further information where securities acquired are unlisted), the new applicant is not able to exercise any control, and does not have any significant influence over the underlying company or business to which rules 4.04(2) and 4.04(4) relate, and has disclosed in its listing document the reasons for the acquisition and a confirmation that the counterparties and their respective ultimate beneficial owners are independent of the new

applicant and its connected persons. In this regard, “control” means the ability to exercise or control the exercise of 30% (or any amount specified in the Takeovers Code as the level for triggering a mandatory general offer) or more of the voting power at general meeting, or being in a position to control the composition of a majority of the board of directors of the underlying company or business; or

- (ii) with respect to an acquisition of a business (including acquisition of an associated company and any equity interest in a company other than in the circumstances covered under sub-paragraph (1) above) or a subsidiary by a new applicant, the historical financial information of such business or subsidiary is unavailable, and it would be unduly burdensome for the new applicant to obtain or prepare such financial information; and the new applicant has disclosed in its listing document information required for the announcement for a discloseable transaction under rules 19.58 and 19.60 on each acquisition. In this regard, “unduly burdensome” will be assessed based on each new applicant’s specific facts and circumstances (e.g. why the financial information of the acquisition target is not available and whether the new applicant or its controlling shareholder has sufficient control or influence over the seller to gain access to the acquisition target’s books and records for the purpose of complying with the disclosure requirements under rules 7.03(2) and 7.03(4)).

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Additional disclosure of pre-acquisition financial information for a Listing Document

7.04A Where a new applicant acquires any material subsidiary or business during the trading record period (see rule 7.03 (1)(a)) and such an acquisition if made by a listed issuer would have been classified at the date of application as a major transaction (see rule 19.06(3)) or a very substantial acquisition (see rule 19.06(5)), it must disclose pre-acquisition financial information (which should include the full financial statements with information required under rules 7.03 and 7.04) on that material subsidiary or business from the commencement of the trading record period (or if the material subsidiary or business commenced its business after the commencement of the trading record period, then from the date of the commencing of its business) to the date of acquisition. Pre-acquisition financial information on the material subsidiary or business must normally be drawn up in conformity with accounting policies adopted by the new applicant and be disclosed in the form of a note to the accountants’ report or in a separate accountants’ report.

Notes: (1) For the purpose of determining whether an acquisition is material and falls within the classification of a major transaction or a very substantial acquisition, reference shall be made to total assets, profits or revenue

(as the case may be) for the most recent financial year of the trading record period of the acquired business or subsidiary and this shall be compared to the total assets, profits or revenue (as the case may be) of the new applicant as shown in the most recent financial year of the trading record period for the same financial year. If the financial year of the acquired business or subsidiary is not coterminous with that of the new applicant, the total assets, profits or revenue (as the case may be) for the most recent financial year of the acquired business or subsidiary should be compared to those of the new applicant for the most recent financial year of its trading record period. For example, if a new applicant's trading record period covers year 1 and year 2 and it acquired a subsidiary during year 1, the total assets, profits or revenue of the acquired subsidiary for year 2 should be compared to those of the new applicant for year 2; and

- (2) If a new applicant which is allowed a shorter trading record period under rule 11.14 acquires any material subsidiary or business during its trading record period, it must disclose pre-acquisition financial information of that material subsidiary or business for the period from the two financial years immediately preceding the issue of the listing document (or if such material subsidiary or business commenced its business less than two financial years ago, then from the commencement date of its business) to the date of the acquisition.

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Disclosure

- 7.11 The information to be disclosed in respect of rules 7.03, 7.09 and 7.10 must be in accordance with best practice which is at least that required to be disclosed in respect of those specific matters in the financial statements of a company under the HKFRS, IFRS or CASBE in the case of a PRC issuer that has adopted CASBE for the preparation of its annual financial statements and, in the case of banking companies, the Guideline on the Application of the Banking (Disclosure) Rules issued by the Hong Kong Monetary Authority ("Guideline").

Note: If a new applicant is a banking company organised outside Hong Kong and primarily regulated by a regulator which has functions similar to the Hong Kong Monetary Authority and provides adequate supervision to the applicant, the Exchange may consider an application for a waiver from strict compliance with the disclosure requirement in relation to the Guideline. The applicant must provide alternative disclosure in its listing document, including disclosure on capital adequacy, loan quality, loan provisioning, and guarantees, contingencies and other commitments, that is sufficient for potential investors to make a fully informed investment decision.

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7.30 In the case of a new applicant (rule 7.01(1)) which has acquired or proposed to acquire any businesses or companies, which would at the date of application or such later date of acquisition before listing of the applicant be classified as a major subsidiary, since the date to which the latest audited financial statements of the issuer have been made up, it must include as an appendix to its listing document the pro forma financial information required under rule 7.31 in respect of the enlarged group (i.e. the new applicant, its subsidiaries and any businesses or companies acquired or proposed to be acquired since the date to which the latest audited financial statements of the issuer have been made up) and the pro forma financial information must be reported on by the reporting accountants as required under rule 7.31(7).

Notes: (1) For the purposes of rule 7.30, all acquisitions or proposed acquisitions since the date to which the latest audited financial statements in the accountants' report of the issuer have been made up, whether of businesses or companies, should be aggregated. If the aggregated total assets, profits or revenue represents 5% or more under any of the percentage ratios as defined under rule 19.04(9), these acquisitions will be deemed to be an acquisition of a major subsidiary for the purpose of rule 7.30. 100% of the major subsidiary's total assets, profits or revenue (as the case may be) or, where the major subsidiary itself has subsidiaries, the consolidated total assets, profits or revenue (as the case may be) of the major subsidiary is to be compared to the total assets, profits or revenue (as the case may be) shown in the issuer's latest audited consolidated financial statements in the accountants' report irrespective of the interest held in the major subsidiary.

(2) Where any of the percentage ratios calculated in accordance with (1) above is 5% or more but is less than 100%, the issuer should disclose, as a minimum, a pro forma statement of assets and liabilities of the enlarged group. Where any of the percentage ratios is 100% or more, the issuer should disclose, as a minimum, a pro forma balance sheet, a pro forma income statement and a pro forma cash flow statement of the enlarged group.

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Chapter 8

VALUATION OF AND INFORMATION ON PROPERTIES

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8.32 A valuer is a qualified valuer only if:—

(1) ...

- (2) for the purpose of valuing properties situated outside Hong Kong, the valuer has the appropriate professional qualifications and experience. This, he will normally be regarded as having if he is subject to the discipline of The Hong Kong Institute of Surveyors or The Royal Institution of Chartered Surveyors or a professional body of similar standing to such bodies and has a minimum of 2 years' experience in valuing properties in the relevant location or has relevant experience to the satisfaction of the Exchange.

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Chapter 9

GENERAL

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

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Resumption

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- 9.13 The power conferred upon the Exchange by rule 9.12 shall be subject to the review process set out in rule 4.06. The burden shall be on the issuer opposing the resumption to demonstrate ~~satisfy the Exchange~~ that a continued trading halt or suspension would be appropriate.

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Chapter 10

EQUITY SECURITIES

METHODS OF LISTING

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Restrictions on rights issues, open offers and specific mandate placings

- 10.44A A listed issuer may not undertake a rights issue, open offer or specific mandate placing that would result in a theoretical dilution effect of 25% or more (on its own or when aggregated with any other rights issues, open offers, and/or specific mandate placings announced by the issuer (i) within the 12 month period immediately preceding the announcement of the proposed issue or (ii) prior to such 12 month period where dealing in respect of the shares issued pursuant thereto commenced within such 12 month

period, together with any bonus securities, warrants or other convertible securities (assuming full conversion) granted or to be granted to shareholders as part of such rights issues, open offers and/or specific mandate placings), unless the issuer can ~~demonstratesatisfy the Exchange~~ that there are exceptional circumstances (for example, the issuer is in financial difficulties and the proposed issue forms part of the rescue proposal).

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Chapter 11

EQUITY SECURITIES

QUALIFICATIONS FOR LISTING

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11.20 Subject to rules 11.21 and 11.21A, a new applicant must not:—

- (1) have changed the period of its financial year during the latest complete financial year immediately preceding the issue of the listing document; or
- (2) change the period of its financial year during the period of any profit forecast, if any, or the current financial year, whichever is the longer period.

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11.21A Notwithstanding rule 11.20, the Exchange may consider an application for a waiver from strict compliance with rule 11.20 if:—

- (1) the new applicant is an investment holding company and the change is to allow its financial year to be coterminous with that of all or a majority of its major operating subsidiaries;
- (2) the new applicant would be able to satisfy all requirements under rule 11.12A before and after the proposed change; and
- (3) the proposed change will not materially affect the presentation of financial information, or result in any omission of material information in the listing document or information that would otherwise be relevant to assessment of the new applicant's suitability.

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Conditions relevant to the securities for which listing is sought

11.22A There must be an adequate market in the securities for which listing is sought. This means that the issuer must demonstrate that there will be sufficient public interest in the business of the issuer and in the securities for which listing is

sought.

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Chapter 12

EQUITY SECURITIES

APPLICATION PROCEDURES AND REQUIREMENTS

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12.08 If there is a termination or addition of a Sponsor during the vetting process of any listing document to be issued by a new applicant, the new applicant must submit a new listing application detailing a revised timetable and, ~~in the case of the new applicant only,~~ a further initial listing fee in the amount specified in Appendix 9. Any initial listing fee paid will, in such circumstances, be forfeited.

Notes: (1) [Repealed 1 October 2013]

(2) See also Chapter 4 for other circumstances when a new applicant may be required to submit a new listing application form.

(3) Where there is a change in Sponsors, the replacement or remaining Sponsor, as the case may be, must submit to the Exchange why the outgoing Sponsor left; a copy of the clearance letter (if any) from the outgoing Sponsor; and any matters the replacement or remaining Sponsor considers necessary to be brought to the Exchange's attention regarding the application and the outgoing Sponsor as soon as practicable.

(4) Where an additional Sponsor is appointed, the new applicant and the Sponsors must submit to the Exchange reasons for appointing the additional Sponsor; and the additional Sponsor must submit to the Exchange a confirmation that it fully agrees with all submissions previously made by the new applicant and its existing Sponsor when a new listing application is submitted pursuant to rule 6A.02B(2).

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12.14 The listing application form must be accompanied by:—

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(4) the initial listing fee in the amount specified in Appendix 9.

Notes: (1) *If the Exchange returns an application to a Sponsor before the Exchange issues its first comment letter to the Sponsor, the initial listing fee will be refunded; and in other cases the initial listing fee will be forfeited.*

(2) *For applications re-submitted at any time after the lapse of a previous application, the new applicant and its Sponsor must provide, if applicable, a submission with supporting documents addressing all outstanding matters set out in the Exchange's letter on the lapsed application and material changes in the listing application, business or circumstances of the new applicant.*

(3) *For applications re-submitted within three months of a lapsed application by at least one of the original and independent Sponsors of the lapsed application (see notes 3 and 4 to rule 12.08), all documents lodged with the Exchange in relation to the previous application will remain valid and applicable. The new applicant and its Sponsor will only need to submit documents that have been revised due to material changes, and provide a confirmation to the Exchange that there has been no material changes to all other documents.*

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12.22 The following documents, as applicable, must be lodged with the Exchange for review together with the application for listing form in respect of a new applicant:—

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(3) where the Application Proof contains an accountants' report, an advanced draft of any statement of adjustments relating to the accountants' report;

(3a) a written confirmation to the new applicant from the reporting accountants that no significant adjustment is expected to be made to the draft accountants' reports on (1) historical financial information; (2) pro forma financial information; and (3) profit forecast (if any) included in the Application Proof based on the work done as of the date of the confirmation;

(3b) a written confirmation to the new applicant from each of the experts who is named as an expert in the listing document (excluding reporting accountants) that no material change is expected to be made to the relevant expert opinion included in the Application Proof based on the work done as of the date of the confirmation;

Note: Where the relevant information in the listing document is updated, the reporting accountants and each of the experts, where applicable, must provide a written confirmation on the updated information similar to those in sub-paragraphs (3a) and (3b).

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Chapter 16

EQUITY SECURITIES

PUBLICATION REQUIREMENTS

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Formal notice on issue

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- 16.10 Model forms of formal notices for offers for subscription or sale, placings and introductions are set out in Appendix 10 for the guidance of issuers. Issuers are reminded that where a prospectus has been registered with the Registrar of Companies pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, every formal notice must comply with Section 38B of that Ordinance.

Note: A new applicant must not publish formal notices in accordance with rules 16.07, 16.08 and 16.10 until the Exchange has reviewed them.

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Results of offers, rights issues and placings

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- 16.14 In the case of an offer for subscription or an offer for sale by tender, an announcement of the striking price must be published on the GEM website as soon as possible, but in any event not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the business day following the date on which the allotment letters or other relevant documents of title are posted.

Note: A new applicant must not publish announcements in accordance with rules 16.13 and 16.14 until the Exchange has reviewed them.

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Publication on the GEM website

16.17 After the Listing Division has confirmed that it has no further comments on any draft announcement, notice or other document, the issuer must submit the cleared version to the Exchange, for publication on the GEM website. The cleared version must be submitted in sufficient time so as to enable it to be published on the GEM website in accordance with any time limit prescribed by the GEM Listing Rules. For any announcement, notice or other document required by the GEM Listing Rules to be published on the GEM website but which is not required to be cleared by the Exchange, the issuer must submit the final version of the document. In this regard, the following must be adhered to:

(1)(a) A listed issuer or a new applicant which is obliged to publish ~~for the purposes of the GEM Listing Rules~~ any announcement or notice under the GEM Listing Rules must submit through HKEx-EPS a ready-to-publish electronic copy of the document to the Exchange for publication on the GEM website.

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(c) All announcements or notices which are published in the newspapers by an issuer pursuant to the GEM Listing Rules must be clearly presented, use legible font size and paragraph spacing and state that it is available for viewing on the GEM website and the issuer's own website giving details as to where on these websites it is to be found (to the fullest extent known at the time of publication of the announcement or notice).

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Chapter 17

EQUITY SECURITIES

CONTINUING OBLIGATIONS

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Sufficient operations

17.26 (1) ...

Note: ...

Where the Exchange raises concerns with an issuer about its compliance with the rule, the onus is on the issuer to provide information to address the Exchange's concerns and demonstrate ~~to the satisfaction of the Exchange~~ its compliance with the rule.

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Pre-emptive rights

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17.42B In the case of a placing or open offer of securities for cash consideration, an issuer may not issue any securities pursuant to a general mandate given under rule 17.41(2) if the relevant price represents a discount of 20% or more to the benchmarked price of the securities, such benchmarked price being the higher of:

(1) ...

(2) the average closing price in the 5 trading days immediately prior to the earlier of:

(a) ...

...

(c) ...

unless the issuer can ~~demonstrate~~satisfy the Exchange that it is in a serious financial position and that the only way it can be saved is by an urgent rescue operation which involves the issue of new securities at a price representing a discount of 20% or more to the benchmarked price of the securities or that there are other exceptional circumstances. The issuer shall provide the Exchange with detailed information on the allottees to be issued with securities under the general mandate.

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Inclusion of stock code in documents

17.52A An issuer shall set out its stock code in a prominent position on the cover page or, where there is no cover page, the first page of all announcements, circulars and other documents published by it pursuant to these GEM Listing Rules.

Note: For an issuer's annual report and interim report, the Exchange would consider rule 17.52A to be satisfied if the issuer's stock code is displayed prominently in the corporate or shareholder information section of the report.

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Closure of books and record date

17.78 (1) ...

(2) ...

Notes:

1. For a rights issue, the issuer must provide at least two trading days for trading in the securities with entitlements (i.e. before the ex-date) after publication of the book closure. If trading on the Exchange is interrupted due to a typhoon, “extreme conditions” caused by a super typhoon (as defined in note 3 to rule 17.79) and/or a black rainstorm warning, the book-close date will be automatically postponed, where necessary, to provide at least two trading days (during neither of which trading is interrupted) for trading of the securities with entitlements during the notice period. In these circumstances the issuer must publish an announcement on the revised timetable.
2. ...

Emergency share registration arrangement during a typhoon or “extreme conditions” caused by a super typhoon

17.79 Under the T+2 settlement system, securities trade ex-entitlement (an "ex-date") for two trading days prior to the advertised date on which a listed issuer's transfer books or register of members is to be closed (the "book-close date") preceding a record date; the 2 trading days prior to the book-close date being referred to in this rule (and rule 17.80) as the first and second ex-date, respectively. A typhoon or “extreme conditions” occurring on either of the two ex-dates may affect the ability of the purchaser to effect registration in time. Accordingly, in the event of a typhoon or “extreme conditions”, the following arrangements will apply:—

- (1) Where the No. 8 signal or above is hoisted or remains hoisted, or “extreme conditions” are announced or remain in force, between 9 am and 12 noon on either the first or second ex-date and is not lowered or cancelled at or before 12 noon on the relevant ex-date:—
 - (a) the last time for accepting shares for registration shall be deferred to the next business day during normal business hours for each ex-date affected; and
 - (b) the book-close date shall be automatically postponed by the number of ex-dates affected;
- (2) Where the No. 8 signal or above is hoisted or remains hoisted, or “extreme conditions” are announced or remain in force, between 12 noon and 3 pm on either the first or second ex-date:—
 - (a) the last time for accepting shares for registration shall be deferred to the next business day during normal business hours for each ex-date affected; and
 - (b) the book-close date shall be automatically postponed by the number of ex-dates affected;

- (3) Where the No. 8 signal or above is hoisted between 3 pm and 4 pm on the first ex-date, no changes will be made to the timetable for accepting shares for registration in respect of the reduced business hours on such ex-date;
- (4) Where the No. 8 signal or above is hoisted, or “extreme conditions” are announced, between 3 pm and 4 pm on the second ex-date but lowered or cancelled at or before 9 am on the next business day:—
- (a) the last time for accepting shares for registration shall be deferred to 12 noon on the next business day; and
 - (b) if the original book-close date is not a business day, the book-close date shall be automatically postponed to the next business day;
- (5) Where the No. 8 signal or above is hoisted, or “extreme conditions” are announced, between 3 pm and 4 pm on the second ex-date but lowered or cancelled after 9 am but at or before 12 noon on the next business day:—
- (a) the last time for accepting shares for registration shall be deferred to 5 pm on the next business day; and
 - (b) if the original book-close date is not a business day, the book-close date shall be automatically postponed to the next business day;
- (6) Where the No. 8 signal or above is hoisted, or “extreme conditions” are announced, between 3 pm and 4 pm on the second ex-date but not lowered or cancelled until after 12 noon on the next business day:—
- (a) the last time for accepting shares for registration shall be deferred to 12 noon on the following business day; and
 - (b) the book-close date shall be automatically postponed to such date;
- (7) Where the No. 8 signal is lowered or “extreme conditions” are cancelled at or before 12 noon on the first ex-date, no changes will be made in respect of the time for accepting shares for registration or the book-close date in respect of the reduced business hours on such ex-date. On the other hand, where the No. 8 signal is lowered or “extreme conditions” are cancelled at or before 12 noon on the second ex-date, the time for accepting shares for registration shall be deferred to at least 5 pm on the same day but no change will automatically be made to the book-close date;

(11) ...

Notes: 1 ...

2 ...

3. According to the “Code of Practice in Times of Typhoons and Rainstorms”, the Hong Kong Government may issue an announcement on “extreme conditions” in the event of, for example, serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage after super typhoons. When “extreme conditions” are in force (i.e. the two-hour period after cancellation of typhoon warning signal no. 8), the Hong Kong Government will review the situation and further advise the public by the end of the two-hour period whether “extreme conditions” will be extended or cancelled.

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Directors’ service contracts

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17.91

~~[Repealed 1 October 2020]Directors’ service contracts entered into by an issuer or any of its subsidiaries in accordance with the GEM Listing Rules on or before 31 January, 2004 are exempt from the shareholders’ approval requirement under rule 17.90. Upon any variation as to duration or payment on termination or any other material terms of the directors’ service contracts or renewal of any such directors’ service contracts, the issuer must comply in full with the requirements set out in rule 17.90 in respect of the service contracts effected after such variation or renewal. Pursuant to rule 18.24A, the issuer must include particulars of any service contracts that are exempt under this rule in its annual reports during the term of any such service contracts.~~

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**TABLE 1 (CHAPTER 17)
EMERGENCY SHARE REGISTRATION ARRANGEMENTS FOR T + 2
SETTLEMENT SYSTEM**

Event	Ex-entitlement Day (Ex-Date)	<u>Issue/cancellation of a typhoon warning signal or “extreme conditions”</u> Typhoon Approach/Retreat		Registrar	Book-Close Date	Closed Period for Transfer Books or Register of Members	Announcements Required
		Time	Status of Signal	Time for Accepting Shares for Registration			
1	First	9 am - 12 noon	No. 8 Signal or above is hoisted or remains hoisted and is not lowered at or before 12 noon; <u>or</u> <u>“Extreme conditions” are announced or remain in force and are not cancelled at or before 12 noon</u>	For each ex-date affected defer to the next business day (normal business hours)	Automatically postponed by number of ex-dates affected	The book-closure period may be extended in accordance with the delay to the book-close date so that the book-closure period remains the same	No announcement required unless:— (i) the payment date is also deferred, in which case an announcement of the new payment date must be made by the listed issuer; or (ii) the book-closure period is extended, in both cases the listed issuer must publish a notice of such changes as soon as possible.
2	Second						
3	First	12 noon - 3 pm	No. 8 Signal or above is hoisted or remains hoisted during this period; <u>or</u>				
4	Second						

			<u>“Extreme conditions” are announced or remain in force during this period</u>				
5	First	3 pm - 4 pm	No. 8 Signal or above is hoisted	No deferment on first ex-date	No change	No change	No announcement required
6	Second	3 pm - 4 pm	No. 8 Signal or above is hoisted but lowered at or before 9 am on the next business day; <u>or</u> <u>“Extreme conditions” are announced but cancelled at or before 9 am on the next business day</u>	Defer to 12 noon <u>on</u> the next business day	If the original book-close date is a business day - no change. Otherwise postponed to the next business day	The book-closure period may be extended in accordance with the delay to the book-close date so that the book-closure period remains the same	No announcement required unless:— (i) the payment date is also deferred, in which case an announcement of the new payment date must be made by the listed issuer; or (ii) the book-closure period is extended, in both cases the listed issuer must publish a notice of such changes as soon as practicable.
7	Second	3 pm - 4 pm	No. 8 Signal or above is hoisted but lowered after 9 am but at or before 12	Defer to 5 pm on the next business day	If the original book-close date is a business day - no change.		

			noon on the next business day; <u>or</u> “ <u>Extreme conditions</u> ” are <u>announced but cancelled after 9 am but at or before 12 noon on the next business day</u>		Otherwise postponed to the next business day		
8	Second	3 pm - 4 pm	No. 8 Signal or above is hoisted but not lowered until after 12 noon on the next business day; <u>or</u> “ <u>Extreme conditions</u> ” are <u>announced but not cancelled until after 12 noon on the next business day</u>	Defer to 12 noon on the business day following the next business day ("B day")	Automatically postponed to B day		
9	First	At or before 12 noon	No. 8 Signal is lowered <u>or</u> “ <u>extreme conditions</u> ” are <u>cancelled</u>	No deferment	No change	No change	No announcement required

10	Second	At or before 12 noon	No. 8 Signal is lowered <u>or</u> <u>“extreme conditions” are cancelled</u>	Extension to 5 pm			
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...

Chapter 18
EQUITY SECURITIES
FINANCIAL INFORMATION

...

Annual reports

Distribution

18.03 The listed issuer must send to:—

- (1) every member of the listed issuer; and
- (2) every other holder of its listed securities,

a copy of either (i) the directors' report and its annual financial statements and, where the listed issuer prepares consolidated financial statements, the consolidated financial statements, together with a copy of the auditors' report thereon or (ii) its summary financial report, not less than 21 days before the date of the listed issuer's annual general meeting and not more than 3 months after the date upon which the financial period ended. The issuer may send a copy of its summary financial report to a member and a holder of its listed securities in place of a copy of its annual report and financial statements, provided that it complies with rule 18.81 and the relevant provisions set out in sections 437 to 446 of the Companies Ordinance and in the Companies (Summary Financial Reports) Regulation or, in the case of overseas issuers, with provisions no less onerous than the above provisions for listed issuers incorporated in Hong Kong.

...

Notes: ...

6 Newly listed issuers will be required to prepare and publish the relevant annual report or summary financial report (irrespective of whether the period in question ends on a date before or after the date on which dealings in the securities of the listed issuer commenced) where the 3-month deadline for publishing the report falls after the date on which dealings in the securities of the listed issuer commenced. The requirements under rule 18.03 are not applicable to the reporting period which ended immediately before the listing of a newly listed issuer if the following is disclosed in its listing document:—

- (a) the financial information required under Chapter 18 in relation to annual reports, in respect of such reporting period;
- (b) a statement as to whether it complies with the Corporate Governance Code in Appendix 15 and, if not, the reason for deviation; and
- (c) that it will not breach its constitutional documents, laws and regulations of its place of incorporation or other regulatory requirements as a result of not distributing such annual reports and accounts.

Such a newly listed issuer should publish an announcement no later than the time prescribed in rule 18.03 that the relevant financial information has been included in its listing document. The newly listed issuer must still comply with the requirements under rule 17.103(5).

...

Information to accompany directors' report and annual financial statements

...

18.24A ~~[Repealed 1 October 2020] Particulars of any service contracts that are exempt under rule 17.91.~~

...

Preliminary announcement of results for the financial year

Preliminary

18.49 A listed issuer must publish (in accordance with the requirements of Chapter 16) a preliminary announcement of the results for the financial year, which has been agreed with its auditors, on the GEM website 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 after approval by or on behalf of the board of its results. The issuer must publish such results not later than 3 months after the date upon which the financial year ended.

Notes: 1 *The term financial year refers to the period covered by a listed issuer's financial statements even where the period is not a calendar year.*

2 *Newly listed issuers will be required to prepare and publish the relevant annual results (irrespective of whether the period in question ends on a date before or after the date on which dealings in the securities of the listed issuer commenced) where the 3-month deadline for publishing the results falls after the date on which dealings in the*

securities of the listed issuer commenced. The requirements under rule 18.49 are not applicable to the reporting period which ended immediately before the listing of a newly listed issuer if the following is disclosed in its listing document:—

- (a) the financial information required under Chapter 18 in relation to annual results announcements, in respect of such reporting period; and
- (b) that it will not breach its constitutional documents, laws and regulations of its place of incorporation or other regulatory requirements as a result of not publishing such annual results announcements.

Such a newly listed issuer should publish an announcement no later than the time prescribed in rule 18.49 that the relevant financial information has been included in its listing document.

...

Half-year reports

Obligation to prepare and publish

18.53 The listed issuer shall prepare, in respect of each of the first 6 months of each financial year of the listed issuer, either (i) a half-year report, or (ii) a summary half-year report containing at least the information required by rules 18.55 and 18.82, respectively and publish the same (in accordance with the requirements of Chapter 16) not later than 45 days after the end of such period. The listed issuer may send a copy of its summary half-year report to a member and a holder of its listed securities in place of a copy of its half-year report, provided that such summary half-year report complies with the relevant provisions of the Companies (Summary Financial Reports) Regulation governing summary financial reports.

Notes: 1 *Newly listed issuers will be required to prepare and publish the relevant half-year report or summary half-year report (irrespective of whether the period in question ends on a date before or after the date on which dealings in the securities of the listed issuer commenced) where the 45-day deadline for publishing the report falls after the date on which dealings in the securities of the listed issuer commenced. ~~In the event that the results for the period in question (whether audited or not) have been included in the prospectus for the purpose of applying for a listing on the Exchange, there will be no obligation separately to publish the results.~~ The requirements under rules 18.53 and 18.54 are not applicable to the half-year period which ended immediately before the listing of a newly listed issuer if the following is disclosed in its listing document:—*

- (a) the financial information required under Chapter 18 in relation to half-year reports, in respect of such six-month period (with comparative figures for the corresponding six-month period of the immediately preceding financial year);
- (b) a statement as to whether it complies with the Corporate Governance Code in Appendix 15 and, if not, the reason for deviation; and
- (c) that it will not breach its constitutional documents, laws and regulations of its place of incorporation or other regulatory requirements as a result of not distributing such half-year reports.

Such a newly listed issuer should publish an announcement no later than the time prescribed in rules 18.53 and 18.54 that the relevant financial information has been included in its listing document.

...

Quarterly reports

Obligation to prepare and publish

18.66 The listed issuer shall prepare, in respect of each of the first 3 and 9 month periods of each financial year of the listed issuer, a quarterly report containing at least the information required by rule 18.68 and publish the same (in accordance with the requirements of Chapter 16) not later than 45 days after the end of such period.

Notes: 1 *Newly listed issuers will be required to prepare and publish the relevant quarterly report (irrespective of whether the period in question ends on a date before or after the date on which dealings in the securities of the listed issuer commenced) where the 45-day deadline for publishing the report falls after the date on which dealings in the securities of the listed issuer commenced. ~~In the event that the results for the period in question (whether audited or not) have been included in the prospectus for the purpose of applying for a listing on the Exchange, there will be no obligation separately to publish the results.~~ The requirements under rules 18.66 and 18.67 are not applicable to the 3-month or 9-month period which ended immediately before the listing of a newly listed issuer if the following is disclosed in its listing document:—*

- (a) the financial information required under Chapter 18 in relation to quarterly reports, in respect of such 3-month or 9-month period (with comparative figures for the corresponding 3-month or 9-month period of the immediately preceding financial year);

(b) a statement as to whether it complies with the Corporate Governance Code in Appendix 15 and, if not, the reason for deviation; and

(c) that it will not breach its constitutional documents, laws and regulations of its place of incorporation or other regulatory requirements as a result of not distributing such quarterly reports.

Such a newly listed issuer should publish an announcement no later than the time prescribed in rules 18.66 and 18.67 that the relevant financial information has been included in its listing document.

...

Preliminary announcement of results for each of the first 6 month 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, on the GEM website 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 after approval by or on behalf of the board of the results. The issuer must publish such results not later than 45 days after the end of such period:

(1) ...

...

(9) ...

Note: Newly listed issuers will be required to prepare and publish the relevant half-year results (irrespective of whether the period in question ends on a date before or after the date on which dealings in the securities of the listed issuer commenced) where the 45-day deadline for publishing the results falls after the date on which dealings in the securities of the listed issuer commenced. The requirements under rule 18.78 are not applicable to the half-year period which ended immediately before the listing of a newly listed issuer if the following is disclosed in its listing document:—

(a) the financial information required under Chapter 18 in relation to half-year results announcements, in respect of such six-month period (with comparative figures for the corresponding six-month period of the immediately preceding financial year); and

(b) that it will not breach its constitutional documents, laws and regulations of its place of incorporation or other regulatory requirements as a result of not publishing such half-year results

announcements.

Such a newly listed issuer should publish an announcement no later than the time prescribed in rule 18.78 that the relevant financial information has been included in its listing document.

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

18.79 Issuers' preliminary announcements of results for each of the first 3 and 9 month periods of each financial year must contain at least the information set out below stated in respect of the group and such information must be published (in accordance with the requirements of Chapter 16) on the GEM website 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 after approval by or on behalf of the board of the results. The issuer must publish such results not later than 45 days after the end of such period:

...

Notes: ...

4 Newly listed issuers will be required to prepare and publish the relevant 3-month or 9-month results (irrespective of whether the period in question ends on a date before or after the date on which dealings in the securities of the listed issuer commenced) where the 45-day deadline for publishing the results falls after the date on which dealings in the securities of the listed issuer commenced. The requirements under rule 18.79 are not applicable to the 3-month or 9-month period which ended immediately before the listing a newly listed issuer if the following is disclosed in its listing document:—

- (a) the financial information required under Chapter 18 in relation to quarterly results announcements, in respect of such 3-month or 9-month period (with comparative figures for the corresponding 3-month or 9-month period of the immediately preceding financial year); and
- (b) that it will not breach its constitutional documents, laws and regulations of its place of incorporation or other regulatory requirements as a result of not publishing such quarterly results announcements.

Such a newly listed issuer should publish an announcement no later than the time prescribed in rule 18.79 that the relevant financial information has been included in its listing document.

...

~~CHAPTER~~Chapter 18A

EQUITY SECURITIES

MINERAL COMPANIES

...

18A.03 A Mineral Company must:—

- (1) establish ~~to the Exchange's satisfaction~~ that it has the right to participate actively in the exploration for and/or extraction of Natural Resources, either:—

...

- (2) establish ~~to the Exchange's satisfaction~~ that it has at least a portfolio of:—

...

- (4) demonstrate ~~to the Exchange's satisfaction~~ that it has available working capital for 125% of the group's present requirements, that is for at least the next 12 months, which must include:—

...

Chapter 19

EQUITY SECURITIES

NOTIFIABLE TRANSACTIONS

...

Definitions

19.04 For the purposes of this Chapter:—

- (1) ...

...

- (12) "total assets" means:—

- (a) ...

- (b) ...

Note: Listed issuers must demonstrate ~~to the satisfaction of the Exchange~~ that any such adjustments or modifications to the accounts of the relevant company, legal person, partnership, trust or business unit are necessary and appropriate in order to reflect its latest financial position.

...

Extreme transactions

- 19.06C An “extreme transaction” is an acquisition or a series of acquisitions of assets by a listed issuer, which individually or together with other transactions or arrangements, may, by reference to the factors set out in Note 1 to rule 19.06B, have the effect of achieving a listing of the acquisition targets, but where the issuer can demonstrate ~~to the satisfaction of the Exchange~~ that it is not an attempt to circumvent the requirements for new applicants set out in Chapter 11 of the GEM Listing Rules and that:

...

Additional requirements for reverse takeovers

- 19.54 The Exchange will treat a listed issuer proposing a reverse takeover as if it were a new listing applicant.

(1) ...

- (2) Where the reverse takeover is proposed by a listed issuer that has failed to comply with rule 17.26, the acquisition targets must also meet the requirement of rule 11.22A, ~~the Exchange must be satisfied that there will be sufficient public interest in the business of the acquisition targets and the enlarged group and in the securities for which listing is sought~~ (in addition to the requirements for the acquisition targets and the enlarged group set out in rule 19.54(1)).

...

Contents of announcements

All transactions

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

(1) ...

...

- (5) the aggregate value of the consideration, how it is being or is to be satisfied and details of the terms of any arrangements for payment on a deferred basis. If the consideration includes securities for which listing will be sought, the listed issuer must also include the amounts and details of the securities being issued;

Note: Where the transaction involves an acquisition of aircraft from an aircraft manufacturer by a listed issuer principally engaged in airline operations and the acquisition is in the issuer's ordinary and usual course of business, the Exchange may waive the requirement of disclosing the aggregate value of the consideration if there are contractual confidentiality restrictions from disclosing the actual consideration for the aircraft. In this case, the issuer must disclose:

(a) the reasons for its waiver application and provide alternative disclosure (including the list price of the aircraft, a description of any price concession received, whether the price concession received is comparable to that obtained in previous purchases and whether the concession has any material impact on the issuer's future operating costs as a whole) in the announcement and, where applicable, the circular for the transaction; and

(b) the following information in its next interim report (where applicable) and annual report:

(i) the aggregate number of aircraft owned as at the end of the reporting period with a breakdown by aircraft model, and the aggregate net book value of the aircraft; and

(ii) the aggregate number of aircraft committed to purchase as at the end of the reporting period with a breakdown by aircraft model, and the commitment amounts for future commitments.

...

Inability to access information to compile circulars for major transactions or very substantial acquisitions

19.67A (1) Where a listed issuer has acquired and/or agreed to acquire equity capital in a company and the transaction constitutes a major transaction or a very substantial acquisition, and the listed issuer does not have access or only has limited access to the non-public information on the target company that would be required for the purpose of complying with the disclosure requirements in respect of the target company and the enlarged group under rules 19.66 and 19.67 (for a major transaction) or rule 19.69 (for a very substantial acquisition), then the listed issuer may defer complying with certain of the disclosure requirements in the manner set out in paragraphs (2) and (3) below, provided that the following conditions are demonstrated ~~to the satisfaction of the Exchange:~~

...

Options

Definitions

...

- 19.76 (1) For the purpose of rules 19.74(1) and 19.75(1), where, on the grant of the option, the actual monetary value of each of the premium, the exercise price, the value of the underlying assets and the profits and revenue attributable to such assets has not been determined, the listed issuer must demonstrate ~~to the satisfaction of the Exchange~~ the highest possible monetary value, which value will then be used for the purpose of classification of notifiable transaction. Failure to do so will result in the transaction being classified as at least a major transaction. The listed issuer must inform the Exchange of the actual monetary value of each of the premium, the exercise price, the value of the underlying assets and the profits and revenue attributable to such assets as soon as it has been determined. If the actual monetary value results in the transaction falling within a higher classification of notifiable transaction, the listed issuer must announce this fact in accordance with the requirements of Chapter 16 as soon as reasonably practicable and comply with the additional requirements of such higher classification.

...

Chapter 20

EQUITY SECURITIES

CONNECTED TRANSACTIONS

...

- 20.77 The following applies when calculating percentage ratios for connected transactions involving options:

(1) ...

...

- (5) if the actual monetary value of the premium, the exercise price, the value of the underlying assets and the revenue attributable to the assets have not been determined when the listed issuer's group grants or acquires or accepts the option:
- (a) the listed issuer must demonstrate ~~to the Exchange's satisfaction~~ the highest possible monetary value for calculating the percentage ratios and classifying the transaction. If the listed issuer is unable to do so, it may be required to comply with all the connected transaction requirements for the transaction; and

...

**Provision of guarantees to connected subsidiaries or commonly held entities
for public sector contracts awarded by tender**

20.102 The Exchange may waive all or some of the connected transaction requirements for a joint and several guarantee or indemnity provided by the listed issuer's group to a third party creditor for the obligations of a connected subsidiary or a commonly held entity if:

- (1) the guarantee or indemnity is required for a government or public sector contract awarded by tender;
- (2) each of the other shareholders of the connected subsidiary or commonly held entity has given a similar joint and several guarantee or indemnity to the third party creditor; and
- (3) each of the other shareholders of the connected subsidiary or commonly held entity has agreed to indemnify the listed issuer's group for the liability guaranteed, or indemnified at least in proportion to its equity interest in the subsidiary or entity. The listed issuer must demonstrate satisfy the Exchange that such shareholder indemnity is sufficient.

...

Chapter 21

EQUITY SECURITIES

OPTIONS, WARRANTS AND SIMILAR RIGHTS

...

**Issue of new warrants to existing warrant holders
and/or altering the terms of existing warrants**

...

21.07 Without prejudice to the generality of rule 21.06, where an issuer proposes to issue new warrants to existing warrant holders and/or alter the exercise period or the exercise price of existing warrants (save for any alterations that take effect automatically under the terms of such existing warrants) (defined for the purposes of this rule as the "warrant proposal"), the Exchange will not approve the warrant proposal unless the following requirements, in addition to those set out in rule 21.02(2) are met:—

- (1) ...

...

- (8) the warrant proposal may not be announced unless the issuer can fulfil all of the above conditions ~~to the satisfaction of the Exchange~~, subject only to obtaining the approval of shareholders, warrant holders and the Exchange. Such announcement should be made as soon as possible after the Exchange has confirmed to the issuer that it is satisfied that the relevant requirements have been met.

...

Chapter 23

EQUITY SECURITIES

SHARE OPTION SCHEMES

...

Terms of the scheme

23.03 The scheme document must include the following provisions and/or provisions as to the following (as the case may be):—

- (1) ...

...

- (3) the total number of securities which may be issued upon exercise of all options to be granted under the scheme, together with the percentage of the issued shares that it represents at the date of approval of the scheme;

Notes: 1. The total number of securities which may be issued upon exercise of all options to be granted under the scheme and any other schemes must not in aggregate exceed 10 per cent of the relevant class of securities of the listed issuer (or the subsidiary) in issue as at the date of approval of the scheme (alternatively, in respect of a scheme of a subsidiary that will become effective only upon its separate listing, the 10% limit may be calculated by reference to the relevant class of securities of the subsidiary in issue as at the date of its listing). Options lapsed in accordance with the terms of the scheme will not be counted for the purpose of calculating the 10% limit.

.....

Restriction on the time of grant of options

23.05 An issuer may not grant any options after inside information has come to its knowledge until (and including) the trading day after it has announced the information. In particular, it may not grant any option during the period commencing one month immediately before the earlier of:

(1) ...

...

Transitional arrangements

23.10 ~~[Repealed 1 October 2020]~~The following transitional provisions apply to existing share option schemes of a listed issuer or a new applicant, which were approved by shareholders of the listed issuer or the new applicant and adopted before 1 October 2001:

~~(1) if the listed issuer or the new applicant wishes to continue to grant options under its existing schemes on or after 1 October 2001 (or in the case of the new applicant, after listing), it must comply with the requirements of this Chapter 23. The disclosure requirements in the annual report and half-year report under rules 23.07, 23.08 and 23.09 of this Chapter 23 will apply to the financial year/period ending on or after 1 October 2001; and~~

~~(2) if the listed issuer or the new applicant wishes to change the terms of any of its existing schemes or implement a new scheme in accordance with the requirements of this Chapter 23 on or after 1 October 2001, it must first ensure that all its existing schemes comply with the requirements of this Chapter 23. The listed issuer or new applicant cannot grant any further options under its existing schemes which do not comply with the requirements of this Chapter 23.~~

~~Note: The Exchange may allow a listed issuer to grant options under the terms of its existing share option schemes on or after 1 October 2001 if the listed issuer is able to demonstrate to the satisfaction of the Exchange that such options are granted to a participant pursuant to a contractual commitment given by the listed issuer to such participant before 27 July 2001.~~

...

Chapter 24

EQUITY SECURITIES

OVERSEAS ISSUERS

...

24.05 The following requirements apply in addition to those set out in Chapter 11:—

...

(6) where an overseas issuer wishes to obtain its listing on the Exchange by way of an introduction in the circumstances set out in rule 10.18(3):—

(a) it must comply with the following additional requirements:—

- (i) provide the Exchange with details of the relevant regulatory provisions (statutory or otherwise) in its place of incorporation or other establishment and demonstrate ~~to the satisfaction of the Exchange~~ that the standards of protection for shareholders and investors provided by that jurisdiction are not lower than those pertaining in Hong Kong; and

...

Chapter 25

EQUITY SECURITIES

ISSUERS INCORPORATED IN THE PEOPLE'S REPUBLIC OF CHINA

...

Pre-emptive rights

25.23 The requirements of rules 17.39 to 17.41 are replaced in their entirety by the following provision:—

“17.39 ...

...

17.41 No such approval as is referred to in rule 17.39 shall be required in the case of authorising, allotting or issuing shares if, but only to the extent that,

- (1) it is made under a bonus or capitalisation issue to the shareholders of the PRC issuer, which excludes for that purpose any shareholder that is resident in a place outside the PRC and Hong Kong, provided that the directors of the PRC issuer consider such exclusion to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place and, where appropriate, to holders of other equity securities of the PRC issuer entitled to the issue, pro rata (apart from fractional entitlements) to their existing holdings; or

Notes: (1) The PRC issuer must make enquiries regarding the

legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange and may only exclude such overseas shareholders on the basis that, having made such enquiries, it would be necessary or expedient to do so.

(2) If any shareholders that are resident outside the PRC and Hong Kong are excluded from an offer of securities pursuant to rule 17.41(1), the PRC issuer shall include an explanation for the exclusion in the relevant circular or document containing the offer of securities. PRC issuers shall ensure that the circular or offer document is delivered to such shareholders for their information subject to compliance with the relevant local laws, regulations and requirements.

- (12) the shareholders of the PRC issuer have by special resolution of its shareholders in general meeting given approval, either unconditionally or subject to such terms and conditions as may be specified in the resolution, for the PRC issuer to authorise, allot or issue, either separately or concurrently once every twelve months, not more than twenty per cent of each of the existing issued domestic shares and overseas listed foreign shares of the PRC issuer; or
- (23) such shares are part of the PRC issuer's plan at the time of its establishment to issue domestic shares and overseas listed foreign shares and which plan is implemented within fifteen months from the date of approval by China Securities Regulatory Commission or such other competent state council securities regulatory authority.

Notes: 1 *Other than where independent shareholders' approval has been obtained, an issue of securities to a connected person pursuant to a general mandate given under rule 17.41(2) is only permitted in the circumstances set out in rule 20.90.*

2 *Notwithstanding any issue of securities pursuant to a general mandate given under rule 17.41, the PRC issuer must at all times comply with the prescribed minimum percentage requirements concerning shares held by the public, as set out in rule 11.23."*

...

Chapter 19 – Notifiable Transactions

25.34C Rule 19.07(4) is amended by adding the following provisions:

In respect of a PRC issuer whose domestic shares are listed on a PRC stock exchange, the market capitalisation of its PRC listed domestic shares is to be determined based on the average closing price of those shares for the 5 business days immediately preceding the transaction.

Where a PRC issuer has issued unlisted domestic shares, the market capitalisation of its unlisted domestic shares is calculated by reference to the average closing price of its H shares for the 5 business days preceding the transaction.

Chapter 23 – Share Option Schemes

25.34D The Exchange may waive the exercise price requirement under Note 1 to rule 23.03(9) for a share option scheme of a PRC issuer dually listed on the Exchange and a PRC stock exchange, provided that: (i) the scheme involves only shares listed on the PRC stock exchange; and (ii) the scheme contains provisions to ensure that the exercise price of the options is no less than the prevailing market price of the relevant shares on the PRC stock exchange at the time of grant of the options.

...

The Stock Exchange of Hong Kong Limited Practice Note 3

to the Rules Governing the Listing of Securities on GEM
of The Stock Exchange of Hong Kong Limited
(the “GEM Listing Rules”)

Issued pursuant to rule 1.07 of the GEM Listing Rules

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

...

2. Introduction

...

Note: This Practice Note is normally only applicable to an issuer and entity which is a subsidiary of the issuer at the time of submission of the spin-off proposal. However, the Exchange will treat an entity as if it were a subsidiary of an issuer for the purpose of this Practice Note if such entity is at the time of submission of the issuer's spin-off proposal, an associated company of the issuer and was, at any time during the latest completed

financial year of the issuer (comprising at least 12 months) up to the date of submission of the spin-off proposal, a subsidiary of the issuer.

In such circumstances, the entity will be required to comply with the requirements of this Practice Note and will be treated as if it has remained as a subsidiary of the issuer. The issuer is required to substantiate ~~to the satisfaction of the Exchange~~ the changes in the beneficial ownership of the entity's issued shares in the period stated above.

...

The Stock Exchange of Hong Kong Limited

Practice Note 7

to the Rules Governing the Listing of Securities on GEM
of The Stock Exchange of Hong Kong Limited
(the "GEM Listing Rules")

Issued pursuant to rule 1.07 of the GEM Listing Rules

ARRANGEMENTS FOR APPLICANTS DURING BAD WEATHER SIGNALS

1. This Practice Note sets out the arrangements in relation to dealings with the Exchange regarding a listing document that constitutes a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance and related announcements when a No. 8 typhoon warning signal or above, "extreme conditions" caused by a super typhoon and/ or a black rainstorm warning signal (collectively, "Bad Weather Signals") is issued during the period from the registration of a prospectus to the commencement of dealing of shares.

Note: According to the "Code of Practice in Times of Typhoons and Rainstorms", the Hong Kong Government may issue an announcement on "extreme conditions" in the event of, for example, serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage after super typhoons. When "extreme conditions" are in force (i.e. the two-hour period after cancellation of typhoon warning signal no. 8), the Hong Kong Government will review the situation and further advise the public by the end of the two-hour period whether "extreme conditions" will be extended or cancelled.

2. Applicants should ensure their prospectuses set out the arrangements in the event of bad weather which may disrupt their listing timetable in order to have greater clarity on the arrangements and to avoid market confusion.

Issue of certificate for registration of prospectus

3. On the day of the publication of a prospectus (“P Day”), an electronic copy of the prospectus and application forms will be published on the GEM website in accordance with Chapter 16 and hardcopies will be available for distribution to the public.
4. An applicant must submit documents under rule 12.25 to the Exchange by 11 a.m. on the date of the registration of a prospectus, which is the business day before the P Day (“P-1 Day”) in order to obtain a certificate from the Exchange for prospectus registration with the Companies Registry under the Companies (Winding Up and Miscellaneous Provisions) Ordinance. It is the responsibility of the applicant to deliver the prospectus and any ancillary documents to the Companies Registry for registration. The applicant should receive a written confirmation from the Companies Registry of the registration on P-1 Day.
5. If a Bad Weather Signal is issued on P-1 Day, the arrangements with the Exchange are as follows:

<u>Time when a Bad Weather Signal is issued</u>	<u>Status of the Bad Weather Signal</u>	<u>Arrangements</u>
<u>Before 9 a.m.</u>	<u>Cancelled at or prior to 12:00 noon</u>	<u>The Exchange will review relevant documents and issue the registration certificate on P-1 Day.</u>
<u>Before 9 a.m.</u>	<u>Remains in force at and after 12:00 noon</u>	<u>The Exchange will review relevant documents on the business day after the Bad Weather Signal is lowered or cancelled, and issue the registration certificate as soon as possible.</u>
<u>At or after 9 a.m.</u>	<u>Business as usual</u>	<u>The Exchange will review relevant documents and issue the registration certificate on P-1 Day.</u>

6. If a Bad Weather Signal causes a delay in the registration of a prospectus with the Companies Registry whereby:—
 - (a) the offer period becomes less than 3 days as required under the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the applicant must revise its listing timetable to ensure compliance with the requirement and make an announcement of the revised timetable on the business day after the Bad Weather Signal is lowered or cancelled. The announcement is not required to be reviewed by the Exchange, and the applicant is not required to amend its prospectus or issue a supplemental prospectus for this purpose; and/ or
 - (b) the prospectus would be published later than the date of the prospectus, the applicant should prepare a letter to the Companies Registry stating that the reason for the delay in publishing, circulating or distributing prospectus for the purpose of registration with the Companies Registry. The applicant is not required to amend the date of the prospectus.

Publication of a prospectus

7. If a Bad Weather Signal is in force at 9:00 a.m. on P Day, the applicant must take necessary actions to ensure the offer period is at least 3 days as required under the Companies (Winding Up and Miscellaneous Provisions) Ordinance. If as a result the applicant amends its listing timetable set out in the prospectus, an announcement in relation to the revised timetable must be made on the business day after the Bad Weather Signal is lowered or cancelled. The announcement is not required to be reviewed by the Exchange, and the applicant is not required to issue a supplemental prospectus.

Opening or closing of the application lists in a public offer

8. If a Bad Weather Signal is in force at any time between 9:00 a.m. and 12:00 noon on the scheduled date of the opening of the application lists ("A Day"), the application lists will not be opened on A Day but instead be opened between 11:45 a.m. and 12:00 noon on the next business day when no Bad Weather Signal is in force between 9:00 a.m. and 12:00 noon ("A+1 Day").
9. An applicant is not required to make an announcement on the change of opening of the application lists only if the arrangement in paragraph 7 above is included in the prospectus. Otherwise, the applicant is required to make an announcement on the change of the opening of the application lists as a result of the Bad Weather Signal on A+1 Day, and such announcement is not required to be reviewed by the Exchange.

Vetting of an allocation announcement under rule 16.13

10. Depending on the applicant's intended date of listing ("L Day"), an allocation announcement is normally approved by the Exchange by the close of business on the second business day before listing ("L-2 Day"). The allocation announcement must be published on the GEM website no later than 8:30 a.m. on the business day before listing ("L-1 Day").
11. If a Bad Weather Signal is issued on L-2 Day, the arrangements with the Exchange are as follows:

<u>Time when a Bad Weather Signal is issued</u>	<u>Status of the Bad Weather Signal</u>	<u>Arrangements</u>
<u>Before 9 a.m.</u>	<u>Cancelled at or prior to 12:00 noon</u>	<u>The Exchange will review the allocation announcement on L-2 Day.</u>

<u>Before 9 a.m.</u>	<u>Remains in force at and after 12:00 noon</u>	<p><u>The allocation announcement must be published before 8:30 a.m. on L-1 Day on the GEM website and will be post-vetted by the Exchange on the same day.</u></p> <p><u>If the Exchange considers the published allocation announcement omits material information, or contains inaccurate information, the applicant will be required, on L-1 Day, to publish a supplemental allocation announcement and may be required to take other actions to ensure the omitted or inaccurate information in the published allocation announcement will not result in a disorderly market on the L Day. Otherwise, the applicant may be required to delay its listing timetable and make an announcement in relation to the revised timetable on L-1 Day.</u></p> <p><u>If the applicant is unable to publish the allocation announcement before 8:30 a.m. on L-1 Day on the GEM website, or if the Exchange cannot post-vet the allocation announcement because a Bad Weather Signal is issued before 9 a.m. and remains in force at and after 12:00 noon on L-1 Day, it must revise its listing timetable and make an announcement in relation to the revised timetable on L-1 Day.</u></p>
<u>At or after 9 a.m.</u>	<u>Business as usual</u>	<u>The Exchange will review the allocation announcement on L-2 Day.</u>

Issue of a listing approval letter

12. The Exchange normally issues the listing approval letter by close of business on L-1 Day.
13. If a Bad Weather Signal is issued on L-1 Day, the arrangements with the Exchange are as follows:

<u>Time when a Bad Weather Signal is issued</u>	<u>Status of the Bad Weather Signal</u>	<u>Arrangements</u>
<u>Before 9 a.m.</u>	<u>Cancelled at or prior to 12:00 noon</u>	<u>The Exchange will issue the approval letter by close of business on L-1 Day.</u>
<u>Before 9 a.m.</u>	<u>Remains in force at and after 12:00 noon</u>	<u>If a Bad Weather Signal was anticipated, the Exchange will issue the approval letter on L-2 Day. Otherwise, the Exchange will issue the approval letter before 9:15 a.m. on L Day if the Bad Weather Signal is no longer in force.</u>

<u>At or after 9 a.m.</u>	<u>Business as usual</u>	<u>The Exchange will issue the approval letter by close of business on L-1 Day.</u>
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Commencement of dealings in shares

14. Dealings of an applicant's shares will only commence when trading on the Exchange resumes, even if trading is only for half-day. The applicant shall refer to the "Trading Hours & Severe Weather Arrangements" on the Exchange's website for details of the trading arrangement.
15. Applicants are not required to make any announcement on the trading arrangements in the event of Bad Weather Signal as this is on the GEM website.
16. This Practice Note takes effect from 1 October 2020.

Hong Kong, 1 October 2020

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Appendix 5

FORMS RELATING TO LISTING

FORM B

Application Form - Equity securities (of an issuer part of whose share capital is already listed)

...

16. **We hereby undertake:—**
 - (a) to advise the Exchange if any change of circumstance arises prior to the hearing date of the application (if applicable) or the date on which we propose to bulk print the listing document (if any) or the proposed date of issue of the securities the subject of this application, that would render any information contained in this application form or the listing document (if any) misleading in any material respect;**
 - (b) to lodge with the Exchange, before dealings in the securities the subject of this application commence, the declaration (Appendix 5E) required by rule 12.27(8) of the GEM Listing Rules; and**

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Appendix 5

FORMS RELATING TO LISTING

FORM F

GEM

Company Information Sheet

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The Directors acknowledge that the Stock Exchange has no responsibility whatsoever with regard to the Information and undertake to indemnify the Exchange against all liability incurred and all losses suffered by the Exchange in connection with or relating to the Information.

Signed:

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Submitted by:

(Name)

Title:

(Director, secretary or other duly authorised officer)

NOTES

- ~~1 This information sheet must be signed by or pursuant to a power of attorney for and on behalf of each of the Directors of the Company.~~
- 2 Pursuant to rule 17.52 of the GEM Listing Rules, the Company must submit to the Exchange (in the electronic format specified by the Exchange from time to time) for publication on the GEM website a revised information sheet, ~~together with a hard copy duly signed by or on behalf of each of the Directors,~~ as soon as reasonably practicable after any particulars on the form previously published cease to be accurate.
- ~~3 Please send a copy of this form by facsimile transaction to Hong Kong Securities Clearing Company Limited (on 2815-9353) or such other number as may be prescribed from time to time) at the same time as the original is submitted to the Exchange.~~

Appendix 9

LISTING FEES, TRANSACTION LEVIES AND TRADING FEES ON NEW ISSUES AND BROKERAGE

1. Equity Securities

(1) Initial Listing Fee

- (a) In the case of an issue of equity securities by a new applicant, an initial listing fee shall be payable on the application for listing as follows:

...

- (c) The initial listing fee should be calculated by reference to the proposed maximum value of the maximum number of equity securities to which the listing application relates.

(d) Listing by Introduction

The initial listing fee shall be calculated in accordance with subparagraph (a) above and the monetary value of the equity securities to be listed should be determined as follows:—

- (1) if the new applicant is already listed on another stock exchange, based on its average market capitalisation on the relevant stock exchange for the period from the sixth business day to the tenth business day immediately before the date of its listing application; or
- (2) if the new applicant is not listed on any other stock exchange, based on its expected market capitalisation upon listing.

...

GEM Listing Rules (amendments to Chinese version only)

第二十章
股本證券
關連交易

...

持續交易其後變成關連交易

20.58 如上市發行人集團簽訂了一份有固定期限及固定條款的協議，而該協議涉及：

(1) ...

...

附錄六

董事及監事的表格

B 表格

董事的聲明、承諾及確認 (適用於中國發行人)

...

第二部分

承諾及確認

...

(d) 在本人須在下列情況下 (以聯交所不時規定的方式) 將下述資料通知聯交所：

...

(ii) 在出任發行人董事期間，如第(i)段所述聯絡資料有變，須在合理可行的情況下盡快 (無論如何於有關變動出現後 28 日內) 通知會聯交所；及

...

附錄六

董事及監事的表格

C 表格

監事的聲明、承諾及確認

(適用於在中華人民共和國(「中國」)註冊成立的發行人)

...

第二部分

承諾及確認

...

2. 本人承認及同意，在本人出任發行人監事期間或不再出任發行人監事之後，但凡聯交所就任何目的向本人發出的信函及/或送達的通知書及其他文件(包括但不限於送達紀律程序的通知)若以面交本人的方式，或以郵寄、傳真或電郵的方式送達本人向聯交所提供的地址或號碼，即被視為已有效及充分地送達本人。本人同意及確認，本人有責任向聯交所提供本人最新的聯絡資料。本人確認，若本人(作為發行人的監事或前監事)未能向聯交所提供本人最新的聯絡資料，或未有為送呈本人的通知、文件或書信提供轉送安排，本人可能會不知悉聯交所向本人展開的任何程序。