

## 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:

<u>Monetary value of the equity securities to be listed (see sub-paragraph (c) below)</u>		<u>Initial listing fee</u>
	(HK\$M)	(HK\$)
Not exceeding	100	100,000
Not exceeding	1,000	150,000
Over	1,000	200,000

- (b) A new applicant shall pay the initial listing fee, in advance, at the same time as it submits its application form in accordance with rule 12.14. The initial listing fee is not refundable.
- (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 sub-paragraph (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.

*Note: In the event that the listing ultimately relates to a lesser value of equity securities which, if known at the time of submitting the application form, would have resulted in the payment of a reduced initial listing fee (in accordance with the table referred to at 1(a) above) the Exchange shall offset the balance against future fees payable by the issuer. If, for any reason, there is a shortfall in the initial listing fee, this must be paid to the Exchange as soon as the actual value of the equity securities to be listed has been determined and in any event before dealings commence.*

(2) Annual Listing Fee

(a) In addition to the initial listing fee, an annual listing fee (payable in advance in one instalment), which shall be calculated by reference to the nominal value of the securities which are or are to be listed on the Exchange, shall be payable on each class of securities as follows:—

(i) in the case of equity securities other than warrants, in accordance with the following scale:

<u>Nominal value of listed equity securities</u>		<u>Annual listing fee</u>
	(HK\$M)	(HK\$)
Not exceeding	100	100,000
Not exceeding	2,000	150,000
Over	2,000	200,000

Where an issuer has shares which have a nominal value of less than HK\$0.25 then, for the purposes of calculating the annual listing fee, the nominal value of each share shall be deemed to be HK\$0.25.

*Notes:*

- In the case of listed issuers whose shares cease to have a nominal value subsequent to their date of listing (the “no-par event”), the nominal value per share that was used to calculate the annual listing fees immediately before the no-par event (the “notional nominal value per share”) shall be used to calculate the annual listing fees from the no-par event. If an issuer conducts a subdivision of shares after the no-par event, the notional nominal value per share shall be adjusted accordingly, subject to a minimum of HK\$0.25 in accordance with paragraph 1(2)(a)(i) above (e.g. if an issuer conducts a 2-for-1 subdivision, and the notional nominal value per share was HK\$1, the nominal value per share used to calculate annual listing fees from the subdivision will be HK\$0.50).*
- In the case of issuers whose shares have no nominal value on their date of listing, the nominal value per share shall be deemed to be HK\$0.25 in accordance with paragraph 1(2)(a)(i) above for calculating annual listing fees.*

(ii) in the case of listed warrants, in accordance with the following scale:—

	<u>Total funds which would be raised on full exercise of the warrants</u>	<u>Annual listing fee</u>
	(HK\$M)	(HK\$)
Not exceeding	100	25,000
Not exceeding	2,000	50,000
Over	2,000	75,000

- (b)
  - (i) Annual listing fees shall be payable in advance in one instalment. The fee shall be payable within 7 days of receiving a debit note or, in any event if earlier, and in the case of a new applicant, before dealings in the relevant securities commence. Annual listing fees shall not be refundable. Regardless of the day of the month on which the securities are listed, the annual listing fees will be calculated from the first day of that month and pro rata payment in respect of that month is not permitted.
  - (ii) For the purpose of calculating the total amount payable for the year, the issuer should assume that there will be no change in the numbers upon which the fee is calculated for and throughout the year for which advance payment is being made.
  - (iii) If an issuer withdraws its listing or is delisted, then regardless of the date on which the issuer withdraws its listing or is delisted, as the case may be, the annual listing fee paid will not be refundable.
  - (iv) If an issuer transfers its listing from GEM to the Main Board during a term in respect of which the annual listing fee has been pre-paid, the portion pre-paid in respect of the remainder of the year in which the listing is transferred will be refunded. The amount to be refunded will be 1/12 of the total pre-payment for each full calendar month remaining in the 12-month period to which the pre-payment relates. Regardless of the day of the month on which the listing is transferred, the annual listing fee will not be refunded in respect of that month.
- (c) Where, after the making of any advance payment, there is a change in the numbers upon which the fee was calculated, the annual listing fee payable shall be adjusted with effect from the date of the change. If the change leads to a reduction in the annual listing fees payable in respect of the remainder of that year, the amount paid in advance in excess (calculated from the first day of the month immediately following the month in which the change occurred) will be reserved for offsetting any upward adjustment if any for the rest of that year. Any such excess unutilised for that year may be offset against any annual listing fees payable in the future and cannot be assigned for any other payment purpose or refunded to the issuer.
- (d) Where the change leads to an increase in the annual listing fees payable in respect of the remainder of that year, the excess payable in respect of the remainder of the year shall be paid in advance by the issuer, within 7 days of receiving a debit note or, in any event if earlier, before dealings in the relevant securities commence. The excess payable in respect of the rest of that year, shall be calculated from the first day of the month in which the change occurred.
- (e) For the purpose of calculating the annual listing fees, where the relevant securities are denominated in a foreign currency, such sum should be converted into Hong Kong currency at the exchange rate specified by the Exchange from time to time.

(3) Subsequent Issue Fee

- (a) Where a listed issuer makes a subsequent issue of equity securities, a subsequent issue fee shall be charged on the following scale:—

<u>Monetary value of the equity securities to be issued (see sub-paragraph (e) below)</u>	<u>Subsequent issue fee</u>
(HK\$M)	(HK\$)
Not exceeding 5	5,000
10	10,000
100	25,000
1,000	50,000
Over 1,000	75,000

- (b) This charge does not apply to the issue of securities on the exercise of options, warrants or conversion rights under convertible securities, the grant or issue of which have been approved by the Exchange, or to a capitalisation issue including the issue of securities under a scrip dividend scheme.
- (c) An issuer shall pay any subsequent issue fees at the time of submission of the application form in accordance with rule 12.17.
- (d) This charge does not apply to an issue of securities by an issuer which is being treated for all purposes as a new applicant and which is therefore subject to the payment of the initial listing fee in respect of that issue of securities.
- (e) The subsequent issue fee should be calculated by reference to the proposed maximum value of the maximum number of equity securities to which the listing application relates.

*Notes: 1 In the event that the listing ultimately relates to a lesser value of equity securities which, if known at the time of submitting the application form, would have resulted in the payment of a reduced subsequent issue fee (in accordance with the table referred to at 3(a) above) the Exchange shall offset the balance against future fees payable by the issuer. If, for any reason, there is a shortfall in the subsequent issue fee, this must be paid to the Exchange as soon as the actual value of the equity securities to be listed has been determined and in any event before dealings commence.*

*2 In the event that the listing approval is not granted or the securities are not issued for whatever reason, the Exchange shall retain a fee equal to the higher of 20 per cent of the subsequent issue fee paid and HK\$5,000. The Exchange shall offset the balance against further fees payable by the issuer.*

## **2. Debt Securities**

- (1) In the case of a new listing of debt securities, whether by a new applicant or otherwise, the listing fee, payable in one single lump sum upon the application of the listing of such debt securities, shall be HK\$15,000.
- (2) (a) In the case of an application in respect of a new listing, a continuance or an increase in size of a debt issuance programme, the listing fee payable upon the application of such listing, continuance or increase in size of such debt issuance programme shall be HK\$15,000.

- (b) In the case of a listing of a new issue of debt securities under a debt issuance programme pursuant to 2(2)(a) above, the listing fees payable in one single lump sum upon the application of the listing of such debt securities shall be 50% of the listing fees payable under 2(1) above.
- (3) Apart from the fees specified in 2(a) and 2(b) above, no annual listing fee is payable for debt securities.

### **3. Transaction Levy on New Issues**

- (1) A transaction levy shall be payable on each of the following transactions (in each case a "Qualifying Transaction"):
  - (a) the subscription and/or purchase of securities of a class new to listing;
  - (b) the subscription and/or purchase of securities of a class already listed under an offer made to the public by or on behalf of a listed issuer excluding a rights issue or open offer; and
  - (c) any other transaction in securities of a class new to listing which the Exchange deems appropriate.

Generally, any transaction involving debt securities will not be deemed to be a Qualifying Transaction, unless, in the opinion of the Exchange, such debt securities are not pure debt securities or are analogous to equity securities. The transaction levy on new issues will not be payable in the case of an introduction.

- (2) The transaction levy together with the investor compensation levy shall be calculated on an aggregated basis (rounded to the nearest cent) by applying the percentage rates as specified from time to time in the Securities and Futures (Levy) Order and the Securities and Futures (Investor Compensation – Levy) Rules to the total consideration payable to the issuer by a subscriber/purchaser for each security under the relevant Qualifying Transaction.
- (3)
  - (a) In the case of the subscription and/or purchase of securities, the transaction levy shall be payable by each of the issuer or vendor (as the case may be) and by the subscriber or purchaser (as the case may be).
  - (b) In the case of any other Qualifying Transaction, the transaction levy shall be payable as the Exchange shall direct.
- (4) Where the consideration under a Qualifying Transaction consists of or includes consideration other than cash, the value of the consideration on which the transaction levy is payable shall be determined by the Exchange whose decision shall be final and binding.
- (5) The transaction levy shall be paid to the Exchange before dealings commence in the relevant securities, in the manner determined by the Exchange from time to time.
- (6) The transaction levy so collected by the Exchange shall be paid to the Commission in accordance with section 394 of the Securities and Futures Ordinance.
- (7) In all cases it shall be the responsibility of the issuer whose securities are to be listed to ensure that the transaction levy is paid to the Exchange.

#### **4. Trading fee on New Issues**

- (1) A trading fee shall be payable on every Qualifying Transaction. Generally, any transaction involving debt securities will not be deemed to be a Qualifying Transaction, unless, in the opinion of the Exchange, such debt securities are not pure debt securities or are analogous to equity securities. The trading fee on new issues will not be payable in the case of an introduction.
- (2) The trading fee shall be calculated at the rate of 0.005 per cent. (rounded to the nearest cent) of the amount of the consideration payable to the issuer by a subscriber/purchaser for each security under the relevant Qualifying Transaction or such other rate determined by the Exchange from time to time.
- (3)
  - (a) In the case of the subscription and/or purchase of securities, the trading fee shall be payable by each of the issuer or vendor (as the case may be) and by the subscriber or purchaser (as the case may be).
  - (b) In the case of any other Qualifying Transaction, the trading fee shall be payable in the manner determined by the Exchange from time to time.
- (4) Where the consideration under a Qualifying Transaction consists of or includes consideration other than cash, the value of the consideration on which the trading fee is payable shall be determined by the Exchange whose decision shall be final and binding.
- (5) The trading fee shall be paid to the Exchange before dealings commence in the relevant securities, in the manner determined by the Exchange from time to time.
- (6) In all cases it shall be the responsibility of the issuer whose securities are to be listed to ensure that the trading fee is paid to the Exchange.

#### **5. Sponsors**

[Repealed 1 January 2007]

#### **6. Brokerage**

- (1) In respect of every Qualifying Transaction, brokerage will be payable by the person subscribing for or purchasing the securities at a rate of 1% of the subscription or purchase price.
- (2) In respect of every successful application for securities to be issued, sold or disposed of which bears, at the time when the application is lodged, the chop or in the case of electronic application instruction, the broker number of an Exchange Participant of the Exchange through whom such application is actually made or arranged, the brokerage paid by the applicant in respect of that application shall be passed on by the issuer to that Exchange Participant via electronic transfer to that Exchange Participant's bank account or by way of a cheque made payable to that Exchange Participant which shall be sent to the Exchange which will forward it to that Exchange Participant.
- (3) In respect of every successful application for securities to be issued, sold or disposed of which does not bear, at the time when the application is lodged, the chop or in the case of electronic application instruction, the broker number of an Exchange Participant of the Exchange and in respect of every successful preferential application the brokerage paid by the applicant in respect of the application shall be passed on by the issuer to the Exchange via electronic transfer to the Exchange's designated bank account or by way of a cheque made payable to the Exchange which will retain such amount.

- (4) Brokerage which would be payable in respect of any securities taken up by an underwriter or sub-underwriter in accordance with a normal underwriting or sub-underwriting agreement may be retained by such underwriter or sub-underwriter.

## **7. Transaction Levy on Offers for Sale**

A listed issuer must notify the Exchange of every purchase and sale of its listed securities made under an offer for sale by or on behalf of a substantial shareholder. Every such purchase and sale is subject to the transaction levy payable to the Commission pursuant to section 394 of the Securities and Futures Ordinance. The transaction levy payable shall be paid to the Exchange by the issuer and the Exchange shall pay such amount to the Commission in accordance with that section.

## **8. Trading Fee on Offers for Sale**

- (1) A trading fee shall be payable to the Exchange by the issuer on every purchase and sale of listed securities made under an offer for sale by or on behalf of a substantial shareholder.
- (2) The trading fee shall be calculated at the rate of 0.005 per cent. (rounded to the nearest cent) of the amount of the consideration and shall be payable by each of the vendor and the purchaser. The trading fee shall be payable in the manner determined by the Exchange from time to time.

## **9. System Charges**

[Repealed 1 October 2009]

## **10. General**

All fees or charges payable to the Exchange under this Appendix shall be net of all taxes, levies and duties. The Exchange reserves the right to revise any of the fees or charges prescribed above at any time, subject to the approval of the Commission pursuant to section 76 and section 24 of the Securities and Futures Ordinance. The Exchange may also at its sole discretion in any specific case reduce or waive the fees or charges prescribed above, except for the transaction levy on Qualifying Transactions in respect of which any reduction or waiver must be approved in writing by the Commission.