

Chapter 1

GENERAL

INTERPRETATION

1.01 Throughout these Rules, the following terms, except where the context otherwise requires, have the following meanings:

“accounts”	has the same meaning as “financial statements” and vice-versa
“affiliated company”	a company which, in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, is recorded using the equity method of accounting in an entity’s financial statements. This includes associated companies and jointly controlled entities as defined in those standards
“announcement”	announcement published under rule 16.17 and “announce” means make an announcement
“Application Proof”	a draft listing document that is required to be substantially complete and is submitted to the Exchange together with a listing application form for the purpose of listing equity securities of a new applicant
“approved share registrar”	a share registrar who is a member of an association of persons approved under section 12 of the Securities and Futures (Stock Market Listing) Rules
“Articles”	the Articles of Association of the Exchange
“asset-backed securities”	debt securities backed by financial assets which, at the time of the relevant issues, are evidenced by agreements and intended to produce funds to be applied towards interest payments due on the securities and repayment of principal on maturity, except those debt securities which are directly secured, in whole or in part, on real property or other tangible assets
“associate”	has the meaning in rule 20.06(2)
“authorised representative”	a person appointed as an authorised representative by a listed issuer under rule 5.24
“balance sheet”	has the same meaning as “statement of financial position” and vice-versa
“bank”	a bank licensed under the Banking Ordinance or a bank incorporated or otherwise established outside Hong Kong which is, in the opinion of the Hong Kong Monetary Authority, adequately supervised by an appropriate recognised banking supervisory authority in the place where it is incorporated or otherwise established

“bearer securities”	securities transferable to bearer
“Board”	the Directors of the Exchange elected or appointed in accordance with the Articles and, where the context so permits, any committee or sub-committee thereof
“business day”	any day on which the Exchange is open for the business of dealing in securities
“CCASS”	means the Central Clearing and Settlement System established and operated by HKSCC
“chief executive”	a person who either alone or together with one or more other persons is or will be responsible under the immediate authority of the board of directors for the conduct of the business of a listed issuer
“China Accounting Standards for Business Enterprises” or “CASBE”	financial reporting standards and interpretations for business enterprises issued by the China Accounting Standards Committee of the China Ministry of Finance
“China Auditing Standards” or “CAS”	standards and interpretations issued by the China Auditing Standards Board of the China Ministry of Finance
“close associate”	<p>(a) in relation to an individual means:—</p> <ul style="list-style-type: none"> (i) his spouse; (ii) any child or step-child, natural or adopted, under the age of 18 years of the individual or of his spouse (together with (a)(i) above, the “family interests”); (iii) the trustees, acting in their capacity as trustees, of any trust of which he or any of his family interests is a beneficiary or, in the case of a discretionary trust, is (to his knowledge) a discretionary object; and (iv) [Repealed 3 June 2010] (v) any company in the equity capital of which he, his family interests, and/or any of the trustees referred to in (a)(iii) above, acting in their capacity as such trustees, taken together are directly or indirectly interested so as 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 meetings, or to control the composition of a majority of the board of directors and any subsidiary of this company; and

- (b) in relation to a company means:—
- (i) its subsidiary or holding company or a fellow subsidiary of its holding company;
 - (ii) the trustees, acting in their capacity as trustees, of any trust of which the company is a beneficiary or, in the case of a discretionary trust, is (to the company's knowledge) a discretionary object; and
 - (iii) [Repealed 3 June 2010]
 - (iv) any other company in the equity capital of which the company, its subsidiary or holding company, a fellow subsidiary of its holding company, and/or any of the trustees referred to in (b) (ii) above, acting in their capacity as such trustees, taken together are directly or indirectly interested so as 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 meetings, or to control the composition of a majority of the board of directors and any subsidiary of this other company.

Notes: This definition is:—

- 1 *modified in the context of PRC issuers, by virtue of rule 25.04; and*
- 2 *extended so as to apply to Sponsors, by virtue of rule 6A.31, underwriters, by virtue of rules 16.13, 16.15 and 29.22, and significant shareholders, Sponsors and underwriters by virtue of rule 10.12;*

“Code of Conduct”	Code of Conduct for Persons Licensed by or Registered with the Commission
“Code on Share Buy-backs” or “Share Buy-backs Code”	the Code on Share Buy-backs approved by the Commission as amended from time to time
“Code on Takeovers and Mergers” or “Takeovers Code”	the Code on Takeovers and Mergers approved by the Commission as amended from time to time
“Commission”	the Securities and Futures Commission established under section 3 of the Securities and Futures Commission Ordinance and continuing in existence under section 3 of the Securities and Futures Ordinance
“Companies Ordinance”	the Companies Ordinance (Cap.622) as amended from time to time

“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32) as amended from time to time
“company”	a body corporate wherever incorporated or otherwise established
“Company Law”	the Company Law of the PRC adopted at the Fifth Session of the Standing Committee of the Eight National People’s Congress on 29 December 1993 and effective from 1 July 1994, as amended, supplemented or otherwise modified from time to time
“Compliance Adviser”	the same meaning as in rule 6A.01
“connected person”	has the meaning in rule 20.06(7) <i>Note: The definition includes a person deemed to be connected by the Exchange under rule 20.07(6) only for the purpose of Chapter 20.</i>
“controlling shareholder”	any person who is or group of persons who are together entitled to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) or more of the voting power at general meetings of the issuer or who is or are in a position to control the composition of a majority of the board of directors of the issuer; or in the case of a PRC issuer, the meaning ascribed to that phrase by rule 25.10
“convertible debt securities”	debt securities convertible into or exchangeable for equity securities or other property, and debt securities with non-detachable options, warrants or similar rights to subscribe or purchase equity securities or other property attached (which expression includes convertible bonds)
“convertible equity securities”	equity securities convertible into or exchangeable for shares and shares with non-detachable options, warrants or similar rights to subscribe or purchase shares attached (which expression excludes convertible bonds)
“core connected person”	(a) for a company other than a PRC issuer, or any subsidiary of a PRC issuer, means a director, chief executive or substantial shareholder of the company or any of its subsidiaries or a close associate of any of them; and (b) for a PRC issuer means a director, supervisor, chief executive or substantial shareholder of the PRC issuer or any of its subsidiaries or close associate of any of them

“corporate communication”	<p>any document issued or to be issued by an issuer for the information or action of holders of any of its securities or the investing public, including but not limited to:—</p> <ul style="list-style-type: none"> (a) the directors’ report and its annual accounts together with a copy of the auditors’ report thereon and, where applicable, its summary financial report; (b) the half-year report and, where applicable, its summary half-year report; (c) the quarterly report; (d) a notice of meeting; (e) a listing document; (f) a circular; (g) a proxy form (h) an Application Proof; and (i) a Post Hearing Information Pack or PHIP
“debt issuance programmes”	<p>issues of debt securities where only part of the maximum principal amount or aggregate number of securities under the issue is issued initially and a further tranche or tranches may be issued subsequently</p>
“debt securities”	<p>debenture or loan stock, debentures, bonds, notes and other securities or instruments acknowledging, evidencing or creating indebtedness, whether secured or unsecured and options, warrants or similar rights to subscribe or purchase any of the foregoing and convertible debt securities</p>
“director”	<p>includes any person who occupies the position of a director, by whatever name called</p>
“domestic shares”	<p>shares issued by a PRC issuer under PRC law, the par value of which is denominated in Renminbi, and which are subscribed for in Renminbi</p>
“effective economic interest”	<p>in relation to any entity means the direct and/or indirect attributable economic interest therein</p>
“Eligible Security”	<p>means an issue of securities which is from time to time accepted as eligible by HKSCC for deposit, clearance and settlement in CCASS, in accordance with the General Rules of CCASS, and where the context so requires shall include any particular security or securities of such an issue</p>
“equity securities”	<p>shares (including preference shares), convertible equity securities and options, warrants or similar rights to subscribe or purchase shares or convertible equity securities</p>

“Executive Director – Listing Division”	the person occupying the position of the Executive Director of the Listing Division from time to time by whatever name such position is called
“Exchange”	The Stock Exchange of Hong Kong Limited
“Exchange Participant”	a person: (a) who, in accordance with the Rules of the Exchange, may trade on or through the Exchange; and (b) whose name is entered in a list, register or roll kept by the Exchange as a person who may trade on or through the Exchange
“expert”	includes engineer, valuer, accountant and any other person whose profession gives authority to a statement made by him
“family interests”	the same meaning as in (a)(ii) of the definition of “close associate”
“financial year”	the period in respect of which any profit and loss account of a company laid or to be laid before it in general meeting is made up, whether that period is a year or not
“financial statements”	has the same meaning as “accounts” and vice-versa
“foreign shares”	shares issued by a PRC issuer under PRC law, the par value of which is denominated in Renminbi, and which are subscribed for in a currency other than Renminbi
“formal notice”	a formal notice required to be published under rules 16.07, 16.08, 29.18, 29.19 or 30.37
“gazetted newspapers”	those newspapers which are, from time to time, specified in the list of newspapers issued and published in the Gazette for the purposes of sections 162 to 169 of the Companies Ordinance by the Chief Secretary
“GEM”	GEM operated by the Exchange
“GEM Listing Committee”	the GEM listing sub-committee of the Board
“GEM Listing Review Committee”	the GEM listing review sub-committee of the Board
“GEM Listing Rules” or “GLR” or “Rules”	the rules governing the listing of securities on GEM made by the Exchange from time to time
“GEM website”	the internet website operated by the Exchange for the purposes of GEM
“group”	the issuer or guarantor and its subsidiaries, if any
“H Shares”	overseas listed foreign shares of a PRC issuer which are listed and traded on GEM
“HKEC”	Hong Kong Exchanges and Clearing Limited

“HKEx-EPS”	means the Exchange’s electronic publication system by whatever name such system is called
“HKSCC”	means Hong Kong Securities Clearing Company Limited including, where the context so requires, its agents, nominees, representatives, officers and employees
“holding company”	in relation to a company, means another company of which it is a subsidiary
“Hong Kong”	Hong Kong, the Special Administrative Region of the People’s Republic of China
“Hong Kong Financial Reporting Standards” or “HKFRS”	financial reporting standards and interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). They comprise (i) Hong Kong Financial Reporting Standards, (ii) Hong Kong Accounting Standards and (iii) Interpretations
“Hong Kong issuer”	an issuer incorporated or otherwise established in Hong Kong
“Hong Kong register”	for an overseas issuer including a PRC issuer, the part of its register of members or branch register located and maintained in Hong Kong pursuant to its articles of association
“IFA group”	<ul style="list-style-type: none"> (a) the independent financial adviser; (b) its holding company; (c) any subsidiary of its holding company; (d) any controlling shareholder of: <ul style="list-style-type: none"> (i) the independent financial adviser; or (ii) its holding company; and (e) any close associate of any controlling shareholder referred to in paragraph (d)
“income statement”	has the same meaning as “statement of profit or loss and other comprehensive income” and vice-versa
“inside information”	has the meaning defined in the Securities and Futures Ordinance as amended from time to time <i>Note: Where the Exchange interprets whether a piece of information is inside information in the context of enforcing the GEM Listing Rules, e.g. rules 13.11(4) and 23.05, it will be guided by decisions of the Market Misconduct Tribunal and published guidelines of the Commission</i>
“Inside Information Provisions”	Part XIVA of the Securities and Futures Ordinance

“International Financial Reporting Standards” or “IFRS”	financial reporting standards and interpretations approved by the International Accounting Standards Board (“IASB”), and includes all International Accounting Standards (“IAS”) and interpretations issued under the former International Accounting Standards Committee (“IASC”) from time to time
“International Standards on Auditing” or “ISA”	standards and interpretations issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants
“issue”	includes circulate, distribute and publish
“issuer”	any company or other legal person any of whose equity or debt securities are the subject of an application for listing on GEM or some or all of whose equity or debt securities are already listed on GEM
“listed issuer”	in the case of equity securities means any company or other legal person some of whose equity securities are already listed on GEM, and in the case of debt securities means a company or other legal person some of whose equity or debt securities are already listed on GEM
“listing”	the grant of a listing of and permission to deal in securities on GEM and “listed” shall be construed accordingly
“Listing Division”	the Listing Department of the Exchange
“listing document”	a prospectus, circular or any equivalent document (including the composite document in relation to a scheme of arrangement and/or an introduction document) issued or proposed to be issued in connection with an application for listing
“Listing Nominating Committee”	the listing nominating sub-committee of the Board
“Main Board”	the stock market operated by the Exchange prior to the establishment of GEM (excluding the options market) and which stock market continues to be operated by the Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM.
“Main Board Listing Committee”	the Listing Committee as defined in the Main Board Listing Rules
“Main Board Listing Rules”	the rules governing the listing of securities on the Main Board made by the Exchange from time to time
“modified opinion”	an opinion in an accountants’ or auditors’ report which is modified (a qualified opinion, an adverse opinion or a disclaimer of opinion on the financial statements)

“modified report”	an accountants’ or auditors’ report: — (a) in which the opinion is a modified opinion; and/or (b) which contains any of the following without modifying the opinion: — (i) an emphasis of matter paragraph; and (ii) a material uncertainty related to going concern
“new applicant”	in the case of equity securities means an applicant for listing none of whose equity securities are already listed on GEM and in the case of debt securities means an applicant for listing none of whose equity or debt securities are already listed on GEM
“notifiable transaction”	any of the transactions specified in rule 19.06
“overseas issuer”	an issuer incorporated or otherwise established outside Hong Kong
“overseas listed foreign shares”	in respect of a PRC issuer means foreign shares which are listed outside the PRC
“Post Hearing Information Pack” or “PHIP”	a near-final draft listing document for the listing of equity securities published on the GEM website
“practising accountant”	an individual, firm or company qualified for appointment as an auditor or reporting accountant of a company
“PRC”	for the purposes of the GEM Listing Rules means the People’s Republic of China, other than the regions of Hong Kong, Macau and Taiwan
“PRC issuer”	an issuer which is duly incorporated in the PRC as a joint stock limited company
“PRC law”	the applicable provisions of the PRC constitution, or any statute, ordinance, regulations, rule or normative statement from time to time in force in the PRC, as the context may require
“PRC property”	property located in the PRC
“PRC stock exchange”	the Shanghai Stock Exchange or the Shenzhen Stock Exchange
“Principal”	has the meaning given to it by the Commission’s Guidelines for Sponsors and Compliance Advisers from time to time
“professional accountant”	a person registered as a certified public accountant under the Professional Accountants Ordinance
“profit and loss account”	has the same meaning as “statement of profit or loss and other comprehensive income” and vice-versa

“promoter”	in relation to any PRC issuer, any person who undertook the establishment of such issuer, subscribed for shares of such issuer and assumes liability for such issuer’s establishment, prepared the initial articles of association of such issuer and convened the inaugural meeting of the subscribers of shares of such issuer, or any person who performed a similar role under PRC law in the establishment of a PRC issuer
“prospectus”	the same meaning as in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance
“public”	the meaning ascribed to that phrase by rule 11.23 and “in public hands” shall be construed accordingly
“published on the GEM website”	published, in the form prescribed by the GEM Listing Rules, in both the English and Chinese languages on the GEM website
“Regulations”	the Special Regulations on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies issued by the State Council of the PRC on 4 August 1994, as amended, supplemented or otherwise modified from time to time
“reporting accountant”	the professional accountant or practising accountant who is responsible for the preparation of the accountants’ report included in a listing document or circular in accordance with Chapter 7
“Securities and Futures Ordinance” or “SFO”	the Securities and Futures Ordinance (Cap. 571) as amended from time to time
“selectively marketed securities”	debt securities marketed to or placed with any number of registered dealers or financial institutions either with a view to their reselling such securities as principals off-market, nearly all of which, because of their nature, will normally be purchased and traded by a limited number of investors who are particularly knowledgeable in investment matters or placing such securities with a limited number of such investors and “selective marketing” shall be construed accordingly
“significant shareholder”	any person who, immediately prior to the date of the new applicant’s initial listing document and immediately prior to the date on which securities of the new applicant commence trading on GEM, is (or group of persons who together are) entitled to exercise or control the exercise of 5% or more of the voting power at general meetings of the new applicant

Note: The Exchange reserves a power to deem any party to be a significant shareholder in circumstances where, prior to the date of issue of the new applicant’s initial listing document, that party has been entitled to exercise or control the exercise of 5% or more of the voting power at general meetings of the new applicant and, on or after the new applicant’s listing, that party again becomes entitled to exercise or control the exercise of 5% or more of the voting power at general meetings of the issuer.

“SFC Sponsor Provisions”	paragraph 17 of the Code of Conduct
“Sponsor”	any corporation or authorised financial institution licensed or registered under the Securities and Futures Ordinance for Type 6 regulated activity and permitted under its licence or certificate of registration to undertake work as a Sponsor and, as applicable, which is appointed as a Sponsor pursuant to rule 6A.02
“Sponsors Guidelines”	Additional Fit and Proper Guidelines for Corporations and Authorized Financial Institutions applying or continuing to act as Sponsors and Compliance Advisers
“Statutory Rules”	the Securities and Futures (Stock Market Listing) Rules as amended from time to time, the text of which is set out in Appendix 12
“subsidiary”	includes: <ul style="list-style-type: none"> (a) a “subsidiary undertaking” as defined in schedule 1 to the Companies Ordinance; (b) any entity which is accounted for and consolidated in the audited consolidated accounts of another entity as a subsidiary pursuant to applicable Hong Kong Financial Reporting Standards or International Financial Reporting Standards; and (c) any entity which will, as a result of acquisition of its equity interest by another entity, be accounted for and consolidated in the next audited consolidated accounts of such other entity as a subsidiary pursuant to applicable Hong Kong Financial Reporting Standards or International Financial Reporting Standards
“substantial shareholder”	in relation to a company means a person who is entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the company <i>Note: This definition is qualified in the case of connected transactions falling within rule 20.27.</i>
“summary financial report”	a summary financial report of a company, which complies with sections 437 to 446 of the Companies Ordinance
“supervisor”	a member elected to the supervisory committee of a PRC issuer which under PRC law performs a supervisory function in relation to such issuer’s board of directors, the manager and other officers
“tap issues”	issues of debt securities where the subscription thereof may continue or further tranches thereof may be issued after listing has been granted

“temporary documents of title” allotment letters, letters of allocation, split receipts, letters of acceptance, letters of rights, renounceable share certificates and any other temporary documents of title

“title certificates” for the purposes of PRC property must comprise:—

- (a) a state-owned land use rights certificate (國有土地使用證); or
- (b) a building ownership certificate (房屋所有權證); or
- (c) a real estate ownership certificate (房地產權證),

provided that the Exchange may, at its discretion, be prepared to accept other certificates or evidence of title in respect of a PRC property as title certificates for the purposes of the GEM Listing Rules, in which regard early consultation with the Exchange is required.

“trading halt” an interruption of trading in an issuer’s securities requested or directed pending disclosure of information under the Rules and extending for no more than two trading days

Note: Where a trading halt exceeds two trading days, it will automatically become a trading suspension.

- 1.02 The GEM Listing Rules include all the appendices hereto and all practice notes issued by the Exchange from time to time concerning GEM and all of the notes set out in the Chapters hereof and appendices hereto. For the avoidance of doubt, the GEM Listing Rules do not include the Main Board Listing Rules.
- 1.03 In the GEM Listing Rules, references to a document being certified shall mean certified to be a true copy or extract (as the case may be) by a director, the secretary or other authorised officer of the issuer (or by a member of its governing body in the case of an overseas issuer) or by a member of the issuer’s auditors or solicitors or by a notary and references to a translation being certified shall mean certified to be a correct translation by a professional translator.
- 1.04 Where the context so permits or requires, words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders and vice versa.
- 1.05 Where definitions in the GEM Listing Rules are wider than or the obligations and requirements imposed by the GEM Listing Rules are more onerous than the provisions of any ordinance, regulation or other statutory provision from time to time in force in Hong Kong, the provisions of the GEM Listing Rules shall prevail provided that where any provision of the GEM Listing Rules is in conflict with the provisions of any such ordinance, regulation or other statutory provision, the provisions of such ordinance, regulation or other statutory provision shall prevail.
- 1.06 The GEM Listing Rules shall be interpreted, administered and enforced by the Exchange. The decisions of the Exchange in respect thereof shall be conclusive and binding.
- 1.07 The Exchange may issue practice notes and other guidance materials on the GEM website, including guidance letters, listing decisions and other publications on the GEM website, from time to time, to assist issuers and guarantors, in the case of a guaranteed issue, Sponsors and other advisers in interpreting and complying with the GEM Listing Rules.

1.08 The GEM Listing Rules have been issued in the English language with a separate Chinese language translation. If there is any conflict in the GEM Listing Rules between the meaning of Chinese words or terms in the Chinese language version and English words in the English language version, the meaning of the English words shall prevail.