
AMENDMENTS TO THE GEM LISTING RULES

Chapter 1

GENERAL

INTERPRETATION

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

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“Company Information Sheet”

the document required to be published under rules 12.26(2), 12.27(9) or 28.16(2) in the prescribed form set out in Appendix 5F and, where applicable, supplemented by the information required by rule 24.27 for publication on the Exchange’s website and the overseas issuer’s website

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“dual listing”

a listing on GEM where the issuer either: (i) also has a listing on one or more overseas stock exchange(s); or (ii) is simultaneously applying to list on GEM and one or more overseas stock exchange(s)

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“EU-IFRS”

IFRS as adopted by the European Union

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“Financial Reporting Council or “FRC”

the Financial Reporting Council established by section 6(1) of the Financial Reporting Council Ordinance

“Financial Reporting Council Ordinance” or “FRCO”

the Financial Reporting Council Ordinance (Cap. 588) as amended from time to time

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“FRC Transaction Levy”

means the levy payable to the Financial Reporting Council pursuant to the provisions of section 50A of the Financial Reporting Council Ordinance

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“IOSCO”

International Organization of Securities Commissions

“IOSCO MMOU”

IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information

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“Mandatory Provisions”

the Mandatory Provisions for Companies Listing Overseas set forth in Zheng Wei Fa (1994) No. 21 issued on 27 August 1994 by the State Council Securities Policy Committee and the State Commission for Restructuring the Economic System

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“overseas issuer”

an issuer that is neither a Hong Kong issuer nor a PRC issuer incorporated or otherwise established outside Hong Kong

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“PIE Auditor”

has the same meaning as in section 3A of the FRCO, that is:

(a) a Registered PIE Auditor; or

(b) a Recognised PIE Auditor

Note: Under the FRCO, only an issuer incorporated outside Hong Kong is permitted to appoint a Recognised PIE Auditor for a PIE Engagement. A Mainland auditor recognised under section 20ZT of the FRCO can only carry out a PIE engagement for a PRC issuer.

“PIE Engagement”

has the same meaning as an engagement specified in Part 1 of Schedule 1A of the FRCO, that is any of the following types of engagement carried out by an auditor or a reporting accountant:

(a) an auditors’ report on a PIE’s annual financial statements required by the Companies Ordinance, the GEM Listing Rules or any relevant code issued by the Commission;

(b) a specified report required to be included in (i) a listing document for the listing of the shares or stocks of a corporation seeking to be listed or a listed corporation; or (ii) a listing document of a Collective Investment Scheme seeking to be listed or a listed Collective Investment Scheme; and

(c) an accountants’ report required under the GEM Listing Rules to be included in a circular issued by a PIE for a reverse takeover or a very substantial acquisition

“place of central management and control”

the Exchange will consider the following factors to determine an issuer’s place of central management and control:

(a) the location from where the issuer's senior management direct, control, and coordinate the issuer's activities;

(b) the location of the issuer's principal books and records; and

(c) the location of the issuer's business operations or assets

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"Professional Accountants Ordinance" or "PAO"

the Professional Accountants Ordinance (Cap. 50) as amended from time to time

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"Public Interest Entity" or "PIE"

has the same meaning as in section 3(1) of the FRCO, that is a listed corporation with listed shares or stocks or a listed Collective Investment Scheme in Hong Kong

Note: A listed corporation with listed debt securities but no listed shares or stocks is not a PIE.

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"Recognised PIE Auditor"

an overseas auditor recognised under Division 3 of Part 3 of the FRCO, including a Mainland auditor recognised under section 20ZT of the FRCO

"Recognised Stock Exchange"

the main market of a stock exchange that is included in a list of Recognised Stock Exchanges published on the Exchange's website as updated from time-to-time

"Registered PIE Auditor"

a practice unit registered under Division 2 of Part 3 of the FRCO

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"SFC Transaction Levy"

means the levy payable to the Commission pursuant to the provisions of section 394 of the SFO

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Chapter 2

GENERAL

INTRODUCTION

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General principles

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2.07 It is emphasised that the GEM Listing Rules are not exhaustive and that the Exchange may impose additional requirements or make listing subject to special conditions whenever it considers it appropriate. Conversely, the Exchange may waive, modify or not require compliance with the GEM Listing Rules in individual cases (to suit the circumstances of a particular case), as a variety of circumstances may exist which require it to make ad hoc decisions. However, any waiver or modification of, or decision not to require compliance with, a rule, which is intended to have general effect (i.e. to affect more than one issuer and its subsidiaries at the same time) may only be granted with the prior consent of the Commission. The Exchange will not grant an individual waiver or modification of a rule, or agree not to require compliance with a rule, on a regularly recurring basis so as to create the same result as a general waiver. Consequently, both new applicants and listed issuers and, in the case of a guaranteed issue, guarantors are ~~welcome~~encouraged to seek informal and confidential guidance from the Exchange at all times.

Note: Issuers must fully disclose details of any waivers or modifications granted (including the conditions thereof) in the relevant listing document (or in other announcement or circular as the Exchange considers appropriate). The Exchange reserves the right to revoke or modify any waivers or modifications granted if there are any material changes in the information provided or circumstances thereunder.

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Fees and other charges

2.29 Of relevance to issuers, the details of the initial listing fee, annual listing fee, subsequent issue fee and other charges, together with details of the brokerage charge, ~~transaction~~ levies and trading fees on new issues are set out in Appendix 9.

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Chapter 7

GENERAL

ACCOUNTANTS' REPORTS AND PRO FORMA FINANCIAL INFORMATION

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Reporting accountants

7.02 ~~All accountants' reports must normally be prepared by certified public accountants who are qualified under the Professional Accountants Ordinance for appointment as auditors of a company and who are~~ Reporting accountants must be independent both of the issuer and of any other company concerned to the same extent as that required of an auditor under the Companies Ordinance and in accordance with the requirements on independence issued by the Hong Kong Institute of Certified Public Accountants, provided that, or the International Federation of Accountants. Subject to rules 7.02(1) and 7.02(2), accountants' reports must normally be prepared by certified public accountants who are qualified under the PAO for appointment as auditors of a company.

(1) Where the preparation of an accountants' report constitutes a PIE Engagement under the FRCO, the issuer must normally appoint a firm of practising accountants that is qualified under the PAO and is a Registered PIE Auditor under the FRCO. In the case of such a PIE Engagement that is a reverse takeover or a very substantial acquisition circular issued by a listed issuer incorporated outside Hong Kong relating to the acquisition of an overseas company, the Exchange may be prepared to accept the appointment of an overseas firm of practising accountants that is not qualified under the PAO but is a Recognised PIE Auditor of that issuer under the FRCO.

Notes:

1. The preparation of an accountants' report included in (a) a listing document for the listing of the shares or stocks of a corporation seeking to be listed or a listed corporation; or (b) a circular issued by a PIE for a reverse takeover or a very substantial acquisition is a PIE Engagement under the FRCO.

2. In relation to an application for the recognition of an overseas firm of practising accountants under the FRCO, on a request made by an issuer incorporated outside Hong Kong, the Exchange may provide a statement of no objection to that issuer appointing an overseas firm of practising accountants to carry out a PIE Engagement for that issuer under section 20ZF(2)(a) of the FRCO. Such firm must normally:

(a) have an international name and reputation;

(b) be a member of a recognised body of accountants; and

(c) be subject to independent oversight by a regulatory body of a jurisdiction that is a full signatory to the IOSCO MMOU. It would be acceptable if the relevant audit oversight body is not a signatory to the IOSCO MMOU but the securities regulator in the same jurisdiction is a full signatory to the IOSCO MMOU.

That issuer must provide the specific reasons supporting its request for a statement of no objection, for example:

— such firm has a geographical proximity and familiarity with the businesses of that issuer or the target;

— that issuer or the target is listed on a Recognised Stock Exchange, and such firm is the auditor of that issuer or the target; and

— such firm is the statutory auditor of that issuer or the target.

If applicable, this statement of no objection is also subject to the Commission granting a certificate of exemption from strict compliance with the relevant requirement concerning the qualification of the reporting accountants under the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

The Exchange retains a discretion to accept or reject an application for a statement of no objection, and reserves the right to withdraw the statement of no objection pursuant to section 20ZF(2)(a) of the FRCO.

(2) In the case of an extreme transaction or a major transaction circular issued by a listed company issuer in connection with the acquisition of an overseas company, the Exchange may be prepared to permit the accountants' report to be prepared by a firm of practising accountants which that is not so qualified under the PAO but which is acceptable to the Exchange. Such a firm must normally have an international name and reputation and be a member of a recognised body of accountants.

(a) have an international name and reputation;

(b) be a member of a recognised body of accountants; and

(c) be subject to independent oversight by a regulatory body of a jurisdiction that is a full signatory to the IOSCO MMOU. It would be acceptable if the relevant audit oversight body is not a signatory to the IOSCO MMOU but the securities regulator in the same jurisdiction is a full signatory to the IOSCO MMOU.

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Accounting standards

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7.13 ~~[Repealed 1 January 2022]The financial history of results and the statement of financial position included in the accountants' report of a listing applicant, which is listed, or is to be simultaneously listed, on the New York Stock Exchange or the Nasdaq Stock Market of the United States of America may, be drawn up in conformity with Generally Accepted Accounting Principles in the United States of America (US GAAP) provided that:—~~

~~(1) the overseas listing applicant has adopted US GAAP for the purposes of reporting to shareholders on the New York Stock Exchange or the Nasdaq Stock Market of the United States of America; and~~

~~(2) the overseas listing applicant's principal activity does not consist of property development and/or investment.~~

7.14 ~~Except as provided in rule 7.13, a listing applicant must obtain the prior approval of the Exchange if it proposes that the accountants report should~~In the case of the accountants' report for an overseas issuer, where the Exchange allows a report to be drawn up otherwise than in conformity with either of the standards referred to in rule 7.12. Such approval will only be given in exceptional circumstances. If such approval is given, the report will be required to conform with financial reporting standards acceptable to the Exchange. In such cases the Exchange will normally require the report to contain a reconciliation statement of setting out the financial effect of the material differences (if any) and a summary of any material differences in disclosure (if any) from either of the standards referred to in rule 7.12.

Notes:

1. The suitability of alternative overseas financial reporting standards depends on whether there is any significant difference between the overseas financial reporting standards and IFRS, and whether there is any concrete proposal to converge or substantially converge the overseas financial reporting standards with IFRS.

2. A list of alternative overseas financial reporting standards that are considered comparable to HKFRS or IFRS is published on the Exchange's website, as amended from time to time.
3. The reconciliation statement must be reviewed by the reporting accountant that reports on the relevant financial statements.
4. An overseas issuer with a dual listing that adopts one of the alternative standards referred to in Note 2 above (other than issuers incorporated in a member state of the European Union which have adopted EU-IFRS) for the preparation of its accountants' reports must adopt HKFRS or IFRS if it de-lists from the jurisdiction of that alternative standard and must do so for any annual, interim and quarterly financial statements that fall due under the GEM Listing Rules, and are published, after the first anniversary of the date of its de-listing.

7.15 ~~Whilst the~~ The accountants' report for a PRC issuer must normally be drawn up in accordance with either of the standards referred to in rule 7.12, such report may, in addition, include (in a separate part) financial information conforming with PRC accounting rules and regulations, provided that the report contains a statement of the financial effect of the material differences (if any) and a summary of any material differences in disclosure (if any) from either of the standards referred to in rule 7.12.

7.16 Without prejudice to the provisions of rules 7.14 and 7.15, any significant departure from either of the accounting standards referred to in rule 7.12 must be disclosed and explained and, to the extent practicable, the financial effects of such departure quantified.

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Auditing standards

7.17A In the case of the accountants' report for an overseas issuer, such report will not normally be regarded as acceptable unless the relevant financial statements have been audited to a standard comparable to that required by the Hong Kong Institute of Certified Public Accountants or by the International Auditing and Assurance Standards Board of the International Federation of Accountants.

Note: A list of alternative overseas auditing standards that are considered comparable to the standards set out in this rule is published on the Exchange's website, as amended from time to time.

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Chapter 11

EQUITY SECURITIES

QUALIFICATIONS FOR LISTING

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General conditions applicable to all issuers

- 11.05 The issuer must be duly incorporated or otherwise established under the laws of the place where it is incorporated or otherwise established~~Hong Kong, the PRC, Bermuda or the Cayman Islands~~ and must be in conformity with those laws, including all such laws relevant to the allotment and issue of securities, and with its memorandum and articles of association or equivalent documents. The issuer must demonstrate how the domestic laws, rules and regulations to which it is subject and its constitutional documents, in combination, provide the shareholder protection standards set out in Appendix 3. ~~The issuer's memorandum and articles of association must comply with Appendix 3 and, in addition (in the case of PRC overseas issuers incorporated or established in specified jurisdictions) must also comply with Part C of Appendix 11.~~
- 11.05A Each of the statutory securities regulator of an issuer's jurisdiction of incorporation and the statutory securities regulator of the place of central management and control must be a full signatory to the IOSCO MMOU. This is to enable the Commission to seek regulatory assistance and information from overseas statutory securities regulators to facilitate the Commission's investigations and enforcement actions where an issuer has its records, business operations, assets and management outside Hong Kong.
- 11.05B The Exchange may waive rule 11.05A in an individual case only with the Commission's explicit consent having regard to whether there are adequate arrangements to enable the Commission to access financial and operational

information (such as books and records) on an issuer's business in the relevant place of incorporation and place of central management and control for its investigation and enforcement purposes.

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Chapter 12

EQUITY SECURITIES

APPLICATION PROCEDURES AND REQUIREMENTS

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Applications

General

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- 12.11 From the time of submission of the application for listing until listing is granted, there must be no dealing in the securities for which listing is sought by any core connected person of the issuer, except as permitted by rule 10.16. The directors of the issuer shall forthwith notify the Exchange of any such dealing or suspected dealing of which they become aware. If any of the directors or their close associates are found to have engaged in such dealing, the application may be rejected.

Note: The Exchange may consider an application for a waiver from strict compliance with rule 12.11 for issuers with, or seeking, a dual listing, subject to the following conditions:–

- (a) the core connected persons have no influence over the listing process and are not in possession of inside information;
- (b) the issuer promptly releases any inside information to the public in its overseas jurisdiction(s) in accordance with the relevant laws and regulations;
- (c) it is beyond the issuer's control that the core connected person(s) conduct dealings in the issuer's securities on markets outside the Exchange (e.g. a public investor who may become a substantial shareholder before the issuer lists on GEM); and
- (d) the issuer has systems in place to identify the dealings by any of its core connected persons during the restricted period and notifies the

Exchange of breaches of dealing restriction by any of its core connected persons other than those who have already been exempted from strict compliance with rule 12.11 during the restricted period.

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Documentary requirements – New Listing Applications

At the time of application for listing

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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- (2) a confirmation from the new applicant's legal advisers that the new applicant's articles of association (i) conform with the relevant parts of Appendices 3 and (for overseas issuers) the related guidance materials, and (where applicable) Appendix 11, and (ii) on the whole, are not inconsistent with the GEM Listing Rules and the laws of the place where the new applicant is incorporated or otherwise established;

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Chapter 14

EQUITY SECURITIES

LISTING DOCUMENTS

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Contents

14.08 In the case of a new applicant, the listing document is required to include the following:—

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- (7) subject to rule 14.13 and to the extent not included by virtue of the above, such particulars and information which, according to the particular nature of the applicant and the securities for which listing is sought, is necessary to enable an investor to make an informed assessment of:—
- (a) the activities, profits and losses, assets and liabilities, financial position, management and prospects of the applicant; and

- (b) the rights and trading arrangements attaching to such securities.

Note: The Exchange may consider an application for a waiver from the disclosure requirement of the issue price or offer price under rule 14.08 and paragraph 15(3)(c) of Appendix 1A for issuers with, or seeking, a dual listing, subject to the conditions that:–

- (a) the Commission grants a certificate of exemption from strict compliance with the relevant requirements of the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
- (b) the listing document discloses (i) the maximum offer price (also in the application forms); (ii) when the final offer price will be determined and how it will be published; (iii) the issuer's historical share prices during the trading record period and up to the latest practicable date; (iv) trading liquidity; (v) the determinants of the final offer price; and
- (c) investors will be able to access the latest market price of the issuer's shares.

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Chapter 16

EQUITY SECURITIES

PUBLICATION REQUIREMENTS

Role of the Exchange

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- 16.03 Any publication by an issuer pursuant to the GEM Listing Rules must be made in both the English and Chinese languages unless otherwise stated.

Note: This rule does not apply to documents to be published on the Exchange's website and the issuer's own website pursuant to rule 7.18, rule 8.01B(1)(b), rule 8.02B(2)(b), rule 23.02(2), rule 24.09(2), rule 24.09(3), rule 24.09(5)(a) and (e), rule 24.09(6), rule 25.20(4), rule 25.37, rule 32.05(3), rule 35.10, rule 35.11, paragraph 52 of Part A of Appendix 1,

~~paragraph 42 of Part B of Appendix 1, paragraph 53 of Part C of Appendix 1, and paragraph 9(b)(i) of Appendix 4, paragraphs 1 and 5 in Section 2 of Part A of Appendix 11 and paragraphs 1 and 5 in Section 2 of Part B of Appendix 11.~~

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Publication on the GEM website

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- 16.18(3) (a) Announcement or notice must not be published on the GEM website:
- between 8:30 a.m. and 12:00 noon and between 12:30 p.m. and 4:30 p.m. on a normal business day; and
 - between 8:30 a.m. and 12:30 p.m. on the eves of Christmas, New Year and the Lunar New Year when there is no afternoon session,

except for:

...

- (vi) announcements relating to suspension and resumption of a Mixed Media Offer applicable to public offers of equity securities and debt securities (see rules 16.04D and 29.21B).

Note: The Exchange may consider an application for a waiver from strict compliance with rule 16.18(3)(a) for issuers with, or seeking, a dual listing, subject to the conditions that:–

(a) the issuer discloses in the listing document a clear indication of the impact of the waiver on potential investors;

(b) the issuer shall inform the Exchange, in the first instance, in the event of any material change being made to the overseas regime on the disclosure of inside/ price sensitive information;

(c) there is a minimal overlap between Hong Kong market hours and that of the overseas exchange(s) on which the issuer's securities are also traded;

(d) the issuer notifies the Exchange of a pending announcement

and the expected time of release (of both English and Chinese versions) at least ten minutes before the release; and

(e) the announcement shall be in relation to inside/ price sensitive information and the issuer is required, for reasons not within its control, under the overseas regime to publish such announcement within the period prohibited under rule 16.18(3)(a).

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Chapter 17

EQUITY SECURITIES

CONTINUING OBLIGATIONS

Meetings

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Nomination of directors

17.46B An issuer must give its shareholders the opportunity to lodge a notice with it proposing a person for election as a director at a general meeting. An issuer shall publish an announcement or issue a supplementary circular upon receipt of a any such notice from a shareholder to propose a person for election as a director at the general meeting where such notice is received by the issuer after publication of the notice of meeting. The issuer shall include particulars of the proposed director in the announcement or supplementary circular. The issuer must give shareholders at least seven days to consider the relevant information disclosed in such an announcement or supplementary circular prior to the date of the meeting of the election.

Note: The issuer must assess whether or not it is necessary to adjourn the meeting of the election to give shareholders a longer period of at least 10 business days to consider the relevant information disclosed in the announcement or supplementary circular.

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Voting of directors at board meeting

17.48A ~~Subject to the exceptions set out in paragraphs (1), (2), (4) and (5) of Note 5 to Appendix 3, a~~ director of an issuer shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his close associates has a material interest nor shall he be counted in the quorum present at the meeting; subject to the following exceptions:

- (1) the giving of any security or indemnity either:—
 - (a) to the director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the issuer or any of its subsidiaries; or
 - (b) to a third party in respect of a debt or obligation of the issuer or any of its subsidiaries for which the director or his close associate(s) has himself/ themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (2) any proposal concerning an offer of shares or debentures or other securities of or by the issuer or any other company which the issuer may promote or be interested in for subscription or purchase where the director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (3) any proposal or arrangement concerning the benefit of employees of the issuer or its subsidiaries including:—
 - (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the director or his close associate(s) may benefit; or
 - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates to the director, his close associate(s) and employee(s) of the issuer or any of its subsidiaries and does not provide in respect of any director, or his close associate(s), as such any privilege or advantage not generally

accorded to the class of persons to which such scheme or fund relates;
and

- (4) any contract or arrangement in which the director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the issuer by virtue only of his/their interest in shares or debentures or other securities of the issuer.

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

- (1) ...

Note: Changes to the relevant parts of the articles of association or equivalent documents must conform with the requirements of Appendix 3 to the GEM Listing Rules and, in the case of an overseas issuer which is incorporated or otherwise established in a jurisdiction in respect of which additional requirements are set out in Appendix 11 (including, for these purposes, the PRC), such changes must conform with Appendix 11.

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Chapter 18

EQUITY SECURITIES

FINANCIAL INFORMATION

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Annual reports

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Accounting standards

18.04 Annual financial statements of a listed issuer are required, subject to ~~rule 18.05 and rule 18.06~~, to conform with HKFRS, IFRS or CASBE in the case of a PRC issuer that has adopted CASBE for the preparation of its annual financial statements.

Note: The issuer must apply one of these bodies of standards consistently and

shall not normally change from one body of standards to the other unless there are reasonable grounds to justify such change. All reasons for any such change must be disclosed in the annual financial statements.

18.05 ~~[Repealed 1 January 2022]~~A listed issuer, which is also listed on the New York Stock Exchange or the Nasdaq Stock Market of the United States of America, may prepare annual financial statements drawn up in conformity with Generally Accepted Accounting Principles in the United States of America (US GAAP), subject to the following:–

- ~~(1) the listed issuer has adopted US GAAP for the purposes of reporting to shareholders on the New York Stock Exchange or the Nasdaq Stock Market of the United States of America;~~
- ~~(2) a listed issuer already listed on the Exchange which subsequently obtains a listing on the New York Stock Exchange or the Nasdaq Stock Market of the United States of America and thereafter adopts US GAAP in place of the standards referred to in rule 18.04 in the preparation of its annual financial statements will be required to compile a statement of the financial effect of material differences from the standards referred to in rule 18.04 in the first annual financial statements in which US GAAP is adopted;~~
- ~~(3) a listed issuer which was permitted to adopt US GAAP on the basis that it is listed on the New York Stock Exchange or the Nasdaq Stock Market of the United States of America but is no longer so listed, will be required to revert to one of the relevant standards referred to in rule 18.04 for financial reporting purposes; and~~
- ~~(4) a listed issuer whose principal activity is property development and/or investment may not adopt US GAAP for financial reporting purposes.~~

18.06 ~~Where the Exchange, in exceptional circumstances,~~The Exchange may allows the annual financial statements of any overseas issuer to be drawn up otherwise than in conformity with ~~accounting~~financial reporting standards referred to in rule 18.04 or with US GAAP in the circumstances set out in rule 18.05, (see the requirements set out in rule 24.18A)~~the Exchange will normally require the annual financial statements to contain a statement of the financial effect of the material differences (if any) and a summary of any material differences in disclosure (if any) from either HKFRS or IFRS referred to in rule 18.04.~~

Auditors' report

18.06A Where the preparation of an auditors' report constitutes a PIE Engagement under the FRCO, the issuer must appoint a firm of practising accountants which is a PIE Auditor under the FRCO.

Note: Qualification requirements for auditors in the case of overseas issuers and PRC issuers are set out in rules 24.13 and 25.25.

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Half-year reports

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Content of half-year reports

18.55 ...

Notes: 1 An issuer should comply with the relevant standard on interim reporting in respect of its half-year reports in accordance with the requirements under HKFRS, IFRS, US GAAP or CASBE or the alternative overseas financial reporting standard acceptable to the Exchange referred to in rules 18.04 and 18.06 which is adopted for the preparation of its annual financial statements.

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Chapter 24

EQUITY SECURITIES

OVERSEAS ISSUERS

Preliminary

24.01 ~~[Repealed 1 January 2022]Rule 11.05 provides that an issuer can be incorporated or otherwise established under the laws of the PRC, Bermuda or the Cayman Islands (as an alternative to Hong Kong). Chapter 25 concerns PRC companies. This Chapter concerns companies incorporated or otherwise established in Bermuda, the Cayman Islands or any jurisdiction, other than Hong Kong or the PRC, accepted by the Exchange from time to time as being a suitable jurisdiction~~

~~for the incorporation or establishment of an issuer proposing to list on GEM.~~

24.02 The GEM Listing Rules apply as much to overseas issuers as they do to Hong Kong issuers, ~~subject to~~ This Chapter sets out the additional requirements, modifications or exemptions set out or referred to in this Chapter that apply to an overseas issuer listed or to be listed on GEM. This includes an overseas issuer that has a dual listing. Overseas issuers are encouraged to contact the Exchange if they envisage any difficulties in complying fully with the relevant requirements.

24.03 ~~In circumstances where the overseas issuer is or is to be listed on another stock exchange as well as on GEM, the provisions of the GEM Listing Rules, unless otherwise stated, apply in their entirety, save for any additional requirements, modifications or exemptions set out in this Chapter (or elsewhere in the GEM Listing Rules). The Exchange may exercise its power under rule 2.07 to waive, modify or not require compliance with a GEM Listing Rule for issuers with, or seeking, a listing under this chapter, on a case by case basis reserves the right, on a case by case basis, to waive or modify any requirement of the GEM Listing Rules relating to an overseas issuer if it is or is to be listed on another regulated, regularly operating, open stock exchange in respect of which the standards of protection for shareholders and investors are at least equivalent to those afforded pursuant to the GEM Listing Rules.~~

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Chapter 11 – Qualifications for Listing

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

- (1) the Exchange reserves the right, in its absolute discretion, to refuse a listing of securities of an overseas issuer if it believes that it is not in the public interest to list them;—
 - (a) [Repealed 1 January 2022] ~~it believes that it is not in the public interest to list them;~~ or
 - (b) [Repealed 1 January 2022] ~~the Exchange is not satisfied that the overseas issuer is incorporated or otherwise established in a jurisdiction where the standards of protection for shareholders and investors are at least equivalent to those provided in Hong Kong;~~

~~Note: Where the Exchange believes that the jurisdiction in which the overseas issuer is incorporated is unable to provide standards of protection for shareholders and investors at least equivalent to those provided in Hong Kong, but that it is possible by means of varying the overseas issuer's constitutive documents to provide standards of protection equivalent to those provided in Hong Kong, then the Exchange may approve the listing of securities of the overseas issuer subject to the overseas issuer making such variations to its constitutive documents as the Exchange may require.~~

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- (6) where an overseas issuer wishes to obtain its listing on the Exchange GEM 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) ~~[Repealed 1 January 2022] provide the Exchange with details of the relevant regulatory provisions (statutory or otherwise) in its place of incorporation or other establishment and demonstrate that the standards of protection for shareholders and investors provided by that jurisdiction are not lower than those pertaining in Hong Kong; and~~
- (ii) ~~with the exception of those overseas issuers which are incorporated or otherwise established in any jurisdiction in respect of which additional requirements are set out in Appendix 44, if requested to do so by the Exchange, appoint an independent financial adviser acceptable to the Exchange to confirm that the proposals are in the interests of the holders of the securities of the existing listed company or companies;~~
- (b) ~~[Repealed 1 January 2022] in addition the issuer must comply with such other requirements as the Exchange may on a case by case basis impose, in order to ensure that Hong Kong investors will be afforded the same level of protection as exists in Hong Kong in relation to the holding of securities in a Hong Kong issuer. The additional requirements currently imposed by the Exchange in respect of certain~~

~~jurisdictions are set out in Appendix 11. The Exchange may add to or waive, modify or not require compliance with these requirements on a case by case basis; and~~

- (c) ~~[Repealed 1 January 2022]attention is particularly drawn to the requirement in rule 10.18(3) that any reorganisation by way of scheme of arrangement or by any other means whereby securities are issued by an overseas issuer in exchange for the securities of one or more listed Hong Kong issuers and the listing of the latter issuer or issuers is withdrawn at the same time as the securities of the overseas issuer are listed, must first be approved by a special resolution of the shareholders of the listed Hong Kong issuer or issuers.~~

...

Chapter 14 – Listing Documents

...

24.09 The following modifications and additional requirements apply:—

...

- (2) ~~the listing document must contain a summary of all provisions of the constitutive documents of the overseas issuer in so far as they may affect shareholders' rights and protections and directors' powers (using the same subject headings as is required by Section 2 of Appendix 11 in respect of certain named jurisdictions). In the case of an overseas issuer which is incorporated or otherwise established in a jurisdiction in respect of which additional requirements are set out in Appendix 11 and which is applying for listing by way of an introduction in the circumstances set out in rule 10.18(3), the summary need only be published on the Exchange's website and the issuer's own website (see Appendix 11);~~

Note: An overseas issuer can refer to Section 2 of Appendix 11 Part C (The People's Republic of China) for guidance on the subject headings that should be used to provide this summary.

- (3) the listing document must contain a summary of the relevant regulatory provisions (statutory or otherwise) of the jurisdiction in which the overseas issuer is incorporated or otherwise established in a form to be agreed upon by the Exchange on a case by case basis and in the Exchange's absolute

discretion. ~~In the case of an overseas issuer which is incorporated or otherwise established in a jurisdiction in respect of which additional requirements are set out in Appendix 11 and which is applying for listing by way of an introduction in the circumstances set out in rule 10.18(3), the summary need only be published on the Exchange's website and the issuer's own website (see Appendix 11);~~

...

(5) for an introduction in the circumstances in rule 10.18(3), the following modifications, exceptions and additional requirements apply:—

(a) the following may be published on the Exchange's website and the issuer's own website rather than set out in the listing document:~~the listing document must contain (but~~

(i) (without in any way limiting the scope of the summary required by rule 24.09(2)) a comparison between the provisions of the listed Hong Kong issuer's existing articles of association and the proposed content of the constitutive documents of the overseas issuer~~(in the same format as is set out in Section 2 of Appendix 11 in respect of certain named jurisdictions). In the case of an overseas issuer which is incorporated or otherwise established in a jurisdiction in respect of which additional requirements are set out in Appendix 11, the summary need only be published on the Exchange's website and the issuer's own website (see Appendix 11);~~

Notes:

1. In such cases the details of the articles of association or equivalent document required to be set out in the listing document by paragraph 7 of Part A of Appendix 1 may be limited to a summary of the changes, if any, between the Hong Kong issuer's articles of association and the overseas issuer's proposed constitutive documents, in respect of each of the areas set out in that paragraph, provided that the summary also includes details of any differences or additional provisions in the proposed new constitutive documents which confer on directors of the overseas issuer any special powers, the exercise of which

would affect the rights or interests of the shareholders.

2. An overseas issuer can refer to Section 2 of Appendix 11 Part C (The People's Republic of China) for guidance on the format that should be used to provide this comparison.

(ii) a summary of the provisions of the constitutive documents of the overseas issuer, which is required by rule 24.09(2); and

(iii) a summary of the relevant regulatory provisions (statutory or otherwise) of the jurisdiction in which the overseas issuer is incorporated or otherwise established which is required by rule 24.09(3) together with a copy of all relevant statutes and/or regulations;

...

- (6) the documents to be published on the Exchange's website and the issuer's own website will be the documents corresponding to those mentioned in paragraph 52 of Part A and paragraph 42 of Part B of Appendix 1. Where any of such documents are not in English or Chinese, a certified English or Chinese translation thereof must be published on the Exchange's website and the issuer's own website. In addition, where rule 24.09(3) applies, the overseas issuer must publish on the Exchange's website and the issuer's own website a copy of any statutes or regulations which are relevant to the summary of the regulatory provisions of the jurisdiction in which the overseas issuer is incorporated or otherwise established. In particular cases, the Exchange may require other additional documents to be published on the Exchange's website and the issuer's own website; and

Note: The Exchange may consider an application for a waiver from strict compliance with the requirement to publish on the Exchange's website and the issuer's own website the relevant statutes or regulations under rule 24.09(6) for issuers having a dual listing, subject to the conditions that the website addresses of the relevant statutes and regulations applicable to the issuer are disclosed in the listing document; and these websites are easily accessible to the public free of charge.

...

Chapters 17 and 18 -Continuing Obligations and Financial Information

General

- 24.10 ~~[Repealed 1 January 2022]Whilst Chapters 17 and 18 apply equally to overseas issuers, the Exchange may be prepared to agree to such modifications thereto as it considers appropriate in a particular case.~~
- 24.11 ~~[Repealed 1 January 2022]Conversely, the Exchange may impose additional requirements in a particular case. In particular, the Exchange may impose such additional requirements as it considers necessary to ensure that shareholders and investors have the same protection as that afforded to them in Hong Kong. The additional requirements currently imposed by the Exchange in respect of certain jurisdictions are set out in Appendix 11. The Exchange may add to or waive, modify or not require compliance with, these requirements on a case by case basis in its absolute discretion.~~

Annual report and accounts and auditors' report

...

- 24.13 The annual accounts must be audited by a person, firm or company who must be a practising accountant of good standing. Such person, firm or company must also be independent of the issuer to the same extent as that required of an auditor under the Companies Ordinance and in accordance with the statements requirements on independence issued by the International Federation of Accountants and must be:–
- (1) ~~qualified under the Professional Accountants Ordinance~~ PAO for appointment as an auditor of a company and a Registered PIE Auditor under the FRCO;
or
 - (2) ~~a firm of accountants acceptable to the Exchange which has an international name and reputation and is a member of a recognised body of accountants.~~ an overseas firm of practising accountants that is a Recognised PIE Auditor of that issuer under the FRCO.

Note: In relation to an application for the recognition of an overseas firm of practising accountants under the FRCO, on a request made by an overseas issuer, the Exchange may provide a statement of no objection to that issuer for appointing an overseas firm of practising accountants to carry out a PIE Engagement for that issuer under section 20ZF(2)(a) of the FRCO (see note 2 to rule 7.02(1)).

24.14 The annual accounts must be audited to a standard comparable to that required by the Hong Kong Institute of Certified Public Accountants or by the International Auditing and Assurance Standards Board of the International Federation of Accountants.

Note: A list of alternative overseas auditing standards that are considered comparable to the standards set out in this rule is published on the Exchange's website, as amended from time to time.

...

24.18A The annual accounts are required to conform with financial reporting standards acceptable to the Exchange, which are normally HKFRS or IFRS. Where the Exchange allows annual accounts to be drawn up otherwise than in conformity with HKFRS or IFRS, the annual accounts will be required to conform with financial reporting standards acceptable to the Exchange. In such cases the Exchange will normally require the annual accounts to contain a reconciliation statement setting out the financial effect of the material differences (if any) from either HKFRS or IFRS.

Notes:

1. The suitability of alternative overseas financial reporting standards depends on whether there is any significant difference between the overseas financial reporting standards and IFRS, and whether there is any concrete proposal to converge or substantially converge the overseas financial reporting standards with IFRS.

2. A list of alternative overseas financial reporting standards that are considered comparable to HKFRS or IFRS is published on the Exchange's website, as amended from time to time.

3. An overseas issuer is also required to include a reconciliation statement in its half-year and quarterly report. The reconciliation statement contained in the annual accounts or half-year or quarterly report must be reviewed by its auditor.

4. An overseas issuer with a dual listing that adopts one of the alternative standards referred to in Note 2 above (other than issuers incorporated in a

member state of the European Union which have adopted EU-IFRS) for the preparation of its annual accounts must adopt HKFRS or IFRS if it de-lists from the jurisdiction of that alternative standard and must do so for any annual, interim and quarterly financial statements that fall due under the GEM Listing Rules, and are published, after the first anniversary of the date of its de-listing.

...

Common Waivers

24.25 The Exchange will consider applications for waivers from issuers with, or seeking, a dual listing under this chapter, based on the underlying principle that the issuer can demonstrate that strict compliance with both the relevant GEM Listing Rules and the overseas regulations would be unduly burdensome or unnecessary (including where the requirements under the GEM Listing Rules contradict the applicable overseas laws or regulations and strict compliance with the GEM Listing Rules would result in a breach of applicable overseas laws or regulations) and that the granting of such waivers by the Exchange will not prejudice the interest of the investing public. In particular, the Exchange will consider applications for waivers from strict compliance with rules 12.11, 14.08, 16.18(3)(a), 24.09(6) and paragraph 15(3)(c) of Appendix 1A from overseas issuers with, or seeking, a dual listing under this chapter. The Exchange will consider these applications on individual merit based on all relevant facts and circumstances, including compliance with the prescribed conditions as set out in the relevant rules.

24.26 An overseas issuer may apply for waivers from the requirements of other rules which the Exchange will consider on a case by case basis, based on the general principles set out in Chapter 2 and rule 24.25.

Company Information Sheet

24.27 An overseas issuer with a listing under this chapter (including a dual listing) that meets any of the following criteria should publish a Company Information Sheet on the relevant information as soon as possible on the Exchange's website and the overseas issuer's website:

- (1) there are novel waiver(s) granted to the issuer (for example, where an overseas issuer is allowed to take alternative measures to meet any core

shareholder protection standards set out in Appendix 3 without providing such standards in its constitutional documents);

- (2) the laws and regulations in its home jurisdiction and primary market are materially different from those required by Hong Kong laws regarding:
- (a) the rights of holders of its securities and how they can exercise their rights;
 - (b) directors' powers and investor protection; and
 - (c) the circumstances under which its minority shareholders may be bought out or may be required to be bought out after a successful takeover or share repurchase; or
- (3) it is subject to any withholding tax on distributable entitlements or any other tax that is payable by shareholders (e.g. capital gains tax, inheritance or gift taxes).

The Exchange may also at its own discretion require an issuer to publish a Company Information Sheet if it is of the view it will be informative to investors.

Notes:

1. The purpose of the Company Information Sheet is to enable investors to easily locate specific information on the differences between the overseas requirements to which an overseas issuer is subject and the Hong Kong requirements.
2. The relevant information to be disclosed under GEM Rule 24.27(3) includes details of the relevant tax(es) and whether Hong Kong investors have any tax reporting obligations.

24.28 An overseas issuer that is required to publish a Company Information Sheet must update it from time to time to reflect any material change to the information disclosed within it as soon as practicable after such a change occurs.

Chapter 25

EQUITY SECURITIES

ISSUERS INCORPORATED IN THE PEOPLE'S REPUBLIC OF CHINA

Preliminary

...

25.02 In circumstances where the PRC issuer is or is to be listed on another stock exchange as well as on GEM, the provisions of the GEM Listing Rules, unless otherwise stated, apply in their entirety, save for any additional requirements, modifications and exceptions set out in this Chapter (or elsewhere in the GEM Listing Rules). ~~The Exchange reserves the right, on a case by case basis, to waive or modify any requirement of the GEM Listing Rules relating to a PRC issuer if it is or is to be listed on another regulated, regularly operating, open stock exchange in respect of which the standards of protection for shareholders and investors are at least equivalent to those afforded pursuant to the GEM Listing Rules.~~

25.02A The Exchange may exercise its power under rule 2.07 to waive, modify or not require compliance with a GEM Listing Rule for a PRC issuer with, or seeking, a listing under this chapter on a case by case basis. For PRC issuers with, or seeking, a dual listing under this chapter, the Exchange will consider applications for waivers from strict compliance with a GEM Listing Rule based on the underlying principle that the issuer can demonstrate that strict compliance with both the relevant GEM Listing Rule and the regulations of the other exchange of primary listing would be unduly burdensome or unnecessary (including where the requirements under the GEM Listing Rules contradict the applicable overseas laws or regulations and strict compliance with the GEM Listing Rules would result in a breach of applicable overseas laws or regulations) and that the granting of such waivers by the Exchange will not prejudice the interest of the investing public.

...

Chapters 17 and 18 – Continuing Obligations and Financial Information

General

...

25.22A The reference to “every member” in rule 18.03 shall mean and refer to only registered holders of the PRC issuer’s H shares.

...

Annual report and accounts and auditors’ report

...

25.25 The annual accounts must be audited by a person, firm or company who must be a practising accountant of good standing. Such person, firm or company must also be independent of the PRC issuer to the same extent as that required of an auditor under the Companies Ordinance and in accordance with the ~~statements~~requirements on independence issued by the International Federation of Accountants and must be:—

- (1) qualified under the ~~PAO~~Professional Accountants Ordinance for the appointment as an auditor of a company and a Registered PIE Auditor under the FRCO; or
- (2) ~~a firm of practising accountants acceptable to the Exchange which has an international name and reputation and is a member of a recognised body of accountants~~an overseas firm of practising accountants that is a Recognised PIE Auditor of that issuer under the FRCO; or
- (3) ~~[Repealed 1 January 2022]a firm of practising accountants acceptable to the Exchange which is a joint venture approved or otherwise permitted by the China Securities Regulatory Commission or other competent authority in the PRC to act as an auditor of a listed company in the PRC and at least one of whose principal joint venture partners is either qualified under (1) or acceptable under (2); or~~
- (4) under the mutual recognition agreement, a PRC firm of practising accountants which has been approved by the China Ministry of Finance and the China Securities Regulatory Commission as being suitable to act as an auditor or a reporting accountant for a PRC incorporated company listed in Hong Kong and is a Recognised PIE Auditor under section 20ZT of the FRCO on the condition that the PRC issuer has adopted CASBE for the preparation of its annual financial statements.

Notes:

1. In relation to an application for the recognition of an overseas firm of practising accountants under the FRCO, on a request made by a PRC issuer, the Exchange may provide a statement of no objection to that issuer for appointing an overseas firm of practising accountants to carry out a PIE Engagement for that issuer under section 20ZF(2)(a) of the FRCO (see note 2 to rule 7.02(1)).

2. The mutual recognition agreement referred to in (4) above means the agreement between the Mainland of China and Hong Kong in 2009 for mutual recognition of qualified auditors from either jurisdiction (home jurisdiction) to act as auditors of corporations incorporated in the home jurisdiction and listed in the other jurisdiction.

...

Other requirements applicable to PRC issuers

25.37 A PRC issuer shall publish on the Exchange's website and the issuer's own website the following:—

...

...

The Stock Exchange of Hong Kong Limited

Practice Note 5

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

Publication of Application Proofs and Post Hearing Information Packs (PHIPs)

...

Confidential Filings

17. For a new applicant which has been listed on a ~~recognised overseas exchange~~

Recognised Stock Exchange, the Exchange will consider a request for confidential filing of Application Proof on the basis of the issuer's individual circumstances and the merits of the case for not less than 5 years and has a significantly large market capitalisation (as determined by the Exchange from time to time) at the time of filing its listing application is entitled to make a confidential filing of its Application Proof. The A new applicant allowed to make a confidential filing is not subject to the publication requirements for its Application Proof unless it is requested to comply with them by the Exchange. All other requirements under the GEM Listing Rules apply unless a waiver is granted.

...

Appendix 3

CORE SHAREHOLDER PROTECTION STANDARDSARTICLES OF ASSOCIATION

An issuer must demonstrate how the domestic laws, rules and regulations to which it is subject and its constitutional documents, in combination, provide the shareholder protection standards set out in this appendix. For this purpose, the Exchange may require the issuer to amend its constitutional documents to provide them. An issuer must further monitor its on-going compliance with these standards and notify the Exchange if it becomes unable to comply with any of these after listing. The articles of association or equivalent document must conform with the following provisions and, where necessary, a certified copy of a resolution of the board of directors or other governing body undertaking to comply with the appropriate provisions must be lodged with the Exchange.

Note: Transitional arrangements for existing issuers listed on the Exchange's markets as at 31 December 2021 are as follows: they would have until their second annual general meeting following 1 January 2022 to make necessary changes to their constitutional documents to conform to the core shareholder protection standards set out in this Appendix.

As regards Transfer and Registration

1. [Repealed 1 January 2022]

~~(1) That transfers and other documents relating to or affecting the title to any registered securities shall be registered and where any fee or fees is/are charged, such fee or fees shall not exceed the maximum fees prescribed by~~

the Exchange from time to time in the GEM Listing Rules.

(Note 1)

~~(2) That fully paid shares shall be free from any restriction on the right of transfer (except when permitted by the Exchange) and shall also be free from all lien.~~

~~*(Note 1)*~~

~~(3) That where power is taken to limit the number of shareholders in a joint account, such limit shall not prevent the registration of a maximum of 4 persons.~~

~~(4) That the standard form of transfer as prescribed by the Exchange is appropriate and not inconsistent with the articles of association.~~

As regards Definitive Certificates

2. [Repealed 1 January 2022]

~~(1) That all certificates for capital must be under seal, which may only be affixed with the authority of the directors, or be executed under signature of appropriate officials with statutory authority.~~

~~(2) Where power is taken to issue share warrants to bearer, that no new share warrant shall be issued to replace one that has been lost, unless the issuer is satisfied beyond reasonable doubt that the original has been destroyed.~~

As regards Dividends

3. [Repealed 1 January 2022]

~~(1) That any amount paid up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in respect thereof in a dividend subsequently declared.~~

~~(2) Where power is taken to forfeit unclaimed dividends, that power shall not be exercised until 6 years or more after the date of declaration of the dividend.~~

~~*(Note 2)*~~

As regards Directors

4. (1) ~~[Repealed 1 January 2022]That, subject to such exceptions specified in the articles of association as the Exchange may approve, a director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his close associates has a material interest nor shall he be counted in the quorum present at the meeting.~~
(Note 5)
- (2) That any person appointed by the directors to fill a casual vacancy on or as an addition to the board shall hold office only until the first annual general meeting of the issuer after his appointment~~next following annual general meeting of the issuer~~, and shall then be eligible for re-election.
- (3) That, where not otherwise provided by law, ~~the issuer~~members in general meeting shall have the power by ordinary resolution to remove any director (including a managing or other executive director, but without prejudice to any claim for damages under any contract) before the expiration of his term of office.
- (4) ~~[Repealed 1 January 2022]That the minimum length of the period, during which notice to the issuer of the intention to propose a person for election as a director and during which notice to the issuer by such person of his willingness to be elected may be given, will be at least 7 days.~~
- (5) ~~[Repealed 1 January 2022]That the period for lodgment of the notices referred to in sub-paragraph 4(4) will commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than 7 days prior to the date of such meeting.~~

As regards Accounts

5. ~~[Repealed 1 January 2022]That a copy of either (i) the directors' report, accompanied by the balance sheet (including every document required by law to be annexed thereto) and profit and loss account or income and expenditure account or (ii) the summary financial report, shall, at least 21 days before the date of the general meeting, be delivered or sent by post to the registered address of every member.~~
(Note 3)

As regards Rights

6. [Repealed 1 January 2022]

~~(1) That adequate voting rights will, in appropriate circumstances, be secured to preference shareholders.~~

~~(2) That the quorum for a separate class meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the holders of at least one third of the issued shares of the class.~~

~~(Note 4)~~

As regards Notices

7. [Repealed 1 January 2022]

~~(1) That where power is taken to give notice by advertisement such advertisement may be published in the newspapers.~~

~~(2) That an overseas issuer shall give notice sufficient to enable members, whose registered addresses are in Hong Kong, to exercise their rights or comply with the terms of the notice.~~

~~(Note 4)~~

~~(3) That there is no prohibition on the giving of notice to members whose registered address is outside Hong Kong.~~

As regards Redeemable Shares

8. [Repealed 1 January 2022]That, where the issuer has the power to purchase for redemption a redeemable share:—

~~(1) purchases not made through the market or by tender shall be limited to a maximum price; and~~

~~(2) if purchases are by tender, tenders shall be available to all shareholders alike.~~

As regards Capital Structure

9. ~~[Repealed 1 January 2022] That the structure of the share capital of the issuer be stated and where such capital consists of more than one class of share it must also be stated how the various classes shall rank for any distribution by way of dividend or otherwise.~~

As regards Non-Voting or Restricted Voting Shares

10. ~~[Repealed 1 January 2022]~~
- ~~(1) That, where the capital of the issuer includes shares which do not carry voting rights, the words “non-voting” must appear in the designation of such shares.~~
- ~~(2) That, where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words “restricted voting” or “limited voting”.~~

As regards Proxies

11. ~~[Repealed 1 January 2022]~~
- ~~(1) That where provision is made in the articles as to the form of proxy, this must be so worded as not to preclude the use of the two-way form.~~
- ~~(2) That a corporation may execute a form of proxy under the hand of a duly authorised officer.~~
- ~~(Note 4)~~

As regards Disclosure of Interests

12. ~~[Repealed 1 January 2022] No powers shall be taken to freeze or otherwise impair any of the rights attaching to any share by reason only that the person or persons who are interested directly or indirectly therein have failed to disclose their interests to the company.~~

~~As regards Untraceable Members~~

13. [Repealed 1 January 2022]

~~(1) That where power is taken to cease sending dividend warrants by post, if such warrants have been left uncashed, it will not be exercised until such warrants have been so left uncashed on 2 consecutive occasions. However, such power may be exercised after the first occasion on which such a warrant is returned undelivered.~~

~~(2) That where power is taken to sell the shares of a member who is untraceable it will not be exercised unless:—~~

~~(a) during a period of 12 years at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed; and~~

~~(b) on expiry of the 12 years the issuer gives notice of its intention to sell the shares by way of an advertisement published in the newspapers and notifies the Exchange of such intention.~~

~~As regards Voting~~As regards Proceedings at General Meetings

14. (1) That an issuer must hold a general meeting for each financial year as its annual general meeting.

Note: Generally, an issuer must hold its annual general meeting within six months after the end of its financial year.

(2) That an issuer must give its members reasonable written notice of its general meetings.

Note: “Reasonable written notice” normally means at least 21 days for an annual general meeting and at least 14 days for other general meetings. This is unless it can be demonstrated that reasonable written notice can be given in less time.

(3) That members must have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a member is required, by these GEM

Listing Rules, to abstain from voting to approve the matter under consideration.

Notes:

1. An example of such a circumstance is where a member has a material interest in the transaction or arrangement being voted upon.

2. If an issuer is subject to a foreign law or regulation that prevents the restriction of a member's right to speak and/or vote at general meetings, the issuer can enter into an undertaking with the Exchange to put in place measures that achieve the same outcome as the restriction under this paragraph (e.g. any votes cast by or on behalf of a member in contravention of the rule restriction must not be counted towards the resolution).

(4) That, where any shareholder is, under these GEM Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

(5) That members holding a minority stake in the total number of issued shares must be able to convene an extraordinary general meeting and add resolutions to a meeting agenda. The minimum stake required to do so must not be higher than 10% of the voting rights, on a one vote per share basis, in the share capital of the issuer.

As regards Variation of Rights

15. That a super-majority vote of the issuer's members of the class to which the rights are attached shall be required to approve a change to those rights.

Notes:

1. A "super-majority vote" means at least three-fourths of the voting rights of the members holding shares in that class present and voting in person or by proxy at a separate general meeting of members of the class where the quorum for such meeting shall be holders of at least one third of the issued

shares of the class. This is unless it can be demonstrated that shareholder protection will not be compromised by a lower voting threshold (e.g. simple majority votes in favour of the relevant resolutions with a higher quorum requirement) and in such case a “super-majority vote” is deemed to be achieved.

2. For PRC issuers, the Exchange will consider a resolution passed by members representing at least two-thirds of the voting rights of the members who are present at the classified members’ meeting and have voting rights to amend class rights as satisfying the threshold of a “super-majority”.

As regards Amendment of Constitutional Documents

16. That a super-majority vote of the issuer’s members in a general meeting shall be required to approve changes to an issuer’s constitutional documents, however framed.

Notes:

1. A “super-majority vote” means at least three-fourths of the total voting rights of the members present and voting in person or by proxy at the general meeting. This is unless it can be demonstrated that shareholder protection will not be compromised by a lower voting threshold (e.g. simple majority votes in favour of the relevant resolutions with a higher quorum requirement) and in such case a “super-majority vote” is deemed to be achieved.

2. For PRC issuers, the Exchange will consider a resolution passed by members representing at least two-thirds of the total voting rights of the members present and voting in person or by proxy at the meeting as satisfying the threshold of a “super-majority”.

As regards Appointment, Removal and Remuneration of Auditors

17. That the appointment, removal and remuneration of auditors must be approved by a majority of the issuer’s members or other body that is independent of the board of directors.

Note: An example of such an independent body is the supervisory board in systems that have a two tier board structure.

As regards Proxies and Corporate Representatives

18. That every member shall be entitled to appoint a proxy who needs not necessarily be a member of the issuer and that every shareholder being a corporation shall be entitled to appoint a representative to attend and vote at any general meeting of the issuer and, where a corporation is so represented, it shall be treated as being present at any meeting in person. A corporation may execute a form of proxy under the hand of a duly authorised officer.

As regards HKSCC's Right to Appoint Proxies or Corporate Representatives

19. That HKSCC must be entitled to appoint proxies or corporate representatives to attend the issuer's general meetings and creditors meetings and those proxies or corporate representatives must enjoy rights equivalent to the rights of other shareholders, including the right to speak and vote.

Note: Where the laws of an overseas jurisdiction prohibit HKSCC from appointing proxies or corporate representatives enjoying the rights described by this paragraph, the issuer must make the necessary arrangements with HKSCC to ensure that Hong Kong investors holding shares through HKSCC enjoy the right to vote, attend (personally or by proxy) and speak at general meetings.

As regards Inspection of Branch Register

20. That the branch register of members in Hong Kong shall be open for inspection by members but the issuer may be permitted to close the register on terms equivalent to section 632 of the Companies Ordinance.

As regards Voluntary Winding Up

21. A super-majority vote of the issuer's members in a general meeting shall be required to approve a voluntary winding up of an issuer.

Notes:

1. A "super-majority vote" means at least three-fourths of the total voting rights of the members present and voting in person or by proxy at the general meeting. This is unless it can be demonstrated that shareholder protection

will not be compromised by a lower voting threshold (e.g. simple majority votes in favour of the relevant resolutions with a higher quorum requirement) and in such case a “super-majority vote” is deemed to be achieved.

2. For PRC issuers, the Exchange will consider a resolution passed by members representing at least two-thirds of the total voting rights of the members present and voting in person or by proxy at the meeting as satisfying the threshold of a “super-majority”.

NOTES

1. ~~In the case of an issuer incorporated in the PRC, references to “shares” in paragraphs 1(1) and 1(2) shall mean and refer to H shares only, and shall not include the domestic shares of a PRC issuer.~~

2. ~~In the case of an issuer incorporated in the PRC, paragraph 3(2) shall be amended and restated to read as follows:~~

~~“Where power is taken to forfeit unclaimed dividends, that power shall not be exercised until after the expiration of the applicable limitations period.”~~

3. ~~In the case of an issuer incorporated in the PRC, the reference to “every member” in paragraph 5 shall mean and refer to only registered holders of the PRC issuer’s H shares.~~

4. ~~Paragraphs 6(2), 7(2), 11(1) and 11(2), which are covered by the additional required provisions set out in Section 1 of Part C of Appendix 11, shall not apply to an issuer incorporated in the PRC.~~

5. ~~Articles of Association will be acceptable to the Exchange if they provide exceptions from the requirements of paragraph 4(1) of this Appendix in respect of the following matters:—~~

~~(1) the giving of any security or indemnity either:—~~

~~(a) to the director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the issuer or any of its subsidiaries; or~~

- ~~(b) — to a third party in respect of a debt or obligation of the issuer or any of its subsidiaries for which the director or his close associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;~~
- ~~(2) — any proposal concerning an offer of shares or debentures or other securities of or by the issuer or any other company which the issuer may promote or be interested in for subscription or purchase where the director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;~~
- ~~(3) — any proposal concerning any other company in which the director or his close associate(s) is/ are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the director or his close associate(s) is/are beneficially interested in shares of that company, provided that the director and any of his close associates are not in aggregate beneficially interested in 5% or more of the issued shares of any class of such company (or of any third company through which his interest or that of any of his close associates is derived) or of the voting rights;~~
- ~~(4) — any proposal or arrangement concerning the benefit of employees of the issuer or its subsidiaries including: —~~
- ~~(a) — the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the director or his close associate(s) may benefit; or~~
- ~~(b) — the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to directors, his close associates and employees of the issuer or any of its subsidiaries and does not provide in respect of any director, or his close associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and~~
- ~~(5) — any contract or arrangement in which the director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the issuer by virtue only of his/their interest in shares or debentures or other securities of the issuer.~~

...

Appendix 9

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

...

3. SFC Transaction Levy on New Issues

- (1) A SFC 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 SFC Transaction Levy on new issues will not be payable in the case of an introduction.

- (2) The SFC 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 SFC 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 SFC 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 SFC Transaction Levy is payable shall be determined by the Exchange whose decision shall be final and binding.

- (5) The SFC 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 SFC 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 SFC Transaction Levy is paid to the Exchange.

...

7. SFC 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 SFC Transaction Levy payable to the Commission pursuant to section 394 of the Securities and Futures Ordinance. The SFC 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.

...

9A. Annual PIE Levy

- (1) With effect from 1 January 2022, an annual PIE levy shall be payable by a PIE to the Exchange.
- (2) The annual PIE levy so collected by the Exchange shall be paid to the FRC in accordance with section 50B of the FRCO.
- (3) The annual PIE levy payable by an issuer of equity securities (other than warrants) shall be calculated by applying the percentage rate as specified from time to time in section 2 of Schedule 7 to the FRCO to the annual listing fee payable under paragraph 1(2)(a) above for the relevant calendar year.
- (4) The annual PIE levy shall be payable in advance in one instalment. The PIE levy shall be payable within 7 days of receiving a debit note or, in any event if earlier, before dealings in the relevant securities commence. Annual PIE levy shall not be refundable. Regardless of the day of the month on which the securities are listed, the annual PIE levy will be calculated from the first day of that month and pro rata payment in respect of that month is not permitted.
- (5) The annual PIE levy for a calendar year, as calculated in accordance with paragraph 9A(3) above, is not to be adjusted even if the annual listing fee payable by the PIE to the Exchange for the relevant year is subsequently adjusted under the GEM Listing Rules.

9B. FRC Transaction Levy

- (1) With effect from 1 January 2022, a FRC Transaction Levy shall be payable to the Exchange on each:

 - (a) Qualifying Transaction (as defined in paragraph 3 above); and
 - (b) purchase and sale of listed securities made under an offer for sale as described in paragraph 7 above.
- (2) The FRC Transaction Levy so collected by the Exchange shall be paid to the FRC in accordance with section 50A of the FRCO.
- (3) The FRC Transaction Levy shall be calculated (rounded to the nearest cent) by applying the percentage rate as specified from time to time in section 1 of Schedule 7 to the FRCO to the total consideration payable to the issuer/substantial shareholder by a subscriber/purchaser for each security under the relevant transaction referred to in paragraph 9B(1) above. Where the consideration under a Qualifying Transaction consists of or includes consideration other than cash, the value of the consideration on which the FRC Transaction Levy is payable shall be determined by the Exchange whose decision shall be final and binding.
- (4) (a) In the case of a Qualifying Transaction relating to the subscription and/or purchase of securities, the FRC 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 FRC Transaction Levy shall be payable as the Exchange shall direct.
 - (c) In case of a purchase and sale of listed securities made under an offer for sale as described in paragraph 7 above, the FRC Transaction Levy shall be payable by the issuer.
- (5) The FRC Transaction Levy shall be paid to the Exchange at the same time the SFC Transaction Levy payable under paragraph 3 or paragraph 7 above (as the case may be) is paid to the Exchange, in the manner and within the time frame determined by the Exchange from time to time.
- (6) FRC Transaction Levy is not refundable.
- (7) In all cases it shall be the responsibility of the issuer whose securities are to be listed to ensure that the FRC Transaction Levy is paid to the Exchange.

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 (a) the SFC Transaction Levy on Qualifying Transactions in respect of which any reduction or waiver must be approved in writing by the Commission; or (b) the annual PIE levy

and the FRC Transaction Levy payable to the Exchange under paragraphs 9A and 9B above in respect of which any reduction must be approved in writing by the FRC.

...

Appendix 11

ADDITIONAL REQUIREMENTS IN RESPECT OF CERTAIN JURISDICTIONS

PART A

BERMUDA

THIS APPENDIX HAS BEEN REPEALED

[Repealed 1 January 2022]

~~Section 1. Additional requirements for memorandum and bye-laws~~

~~Section 2. Modifications and additional requirements~~

~~Section 1~~

~~ADDITIONAL REQUIREMENTS FOR THE MEMORANDUM AND BYE-LAWS OF ISSUERS INCORPORATED OR OTHERWISE ESTABLISHED IN BERMUDA~~

~~(see rule 24.06(1))~~

~~In addition to the provisions of Appendix 3, the bye-laws of issuers incorporated or otherwise established in Bermuda must conform with the following provisions:—~~

~~1. As regards the memorandum and bye-laws~~

~~The memorandum and bye-laws must stipulate that they may not be changed without a special resolution, and the bye-laws shall define “special resolution” to mean a resolution passed by members holding three-fourths of the voting rights of those present and voting in person or by proxy at a meeting of members.~~

2. — As regards class meetings

~~(1) The bye-laws shall stipulate that for the purposes of section 47 of the Companies Act 1981 of Bermuda the specified proportion of the holders of shares of a particular class required to sanction a resolution passed at a separate meeting of those holders to approve a variation of class rights shall be members holding three-fourths of the voting rights of that class present and voting in person or by proxy at such meeting.~~

~~(2) Where the issuer is permitted by Bermudian law so to do, the bye-laws shall provide that a proxy need not be a member of the issuer.~~

3. — As regards notices of general meetings

~~The bye-laws shall stipulate that any annual general meeting must be called by notice of at least 21 days, and that any other general meeting (including an extraordinary general meeting) must be called by notice of at least 14 days.~~

~~*Note: The articles of association may provide that issuers may convene a general meeting on shorter notice than required under this provision or the companies' bye-laws if it is agreed:*~~

~~(a) in the case of an annual general meeting, by all the members entitled to attend and vote at the meeting; and~~

~~(b) in any other case, by a majority in number of the members having the right to attend and vote at the meeting, being a majority together representing at least 95% of the total voting rights at the meeting of all the members.~~

4. — As to accounts

~~(1) The bye-laws shall require the issuer to keep proper books of account necessary to give a true and fair view of the issuer's affairs.~~

~~(2) The bye-laws shall provide that accounts shall be laid before members at the annual general meeting which must be held in each year; not more than 15 months (or such longer period as the Exchange may authorise) may elapse between the date of one annual general meeting and the next.~~

5.—As to directors

~~The bye-laws shall stipulate that the issuer in general meeting must approve the payment to any director or past director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the director is contractually entitled).~~

6.—As to corporate representatives

~~The bye-laws shall provide that if a recognised clearing house within the meaning of Part 4 of Schedule 1 to the Securities and Futures Ordinance is a member of the company it may, to the extent permitted by law, authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the company or at any meeting of any class of members of the company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee) which he represents as that clearing house (or its nominee) could exercise if it were an individual shareholder of the company.~~

Section 2

MODIFICATIONS AND ADDITIONAL REQUIREMENTS

~~(see rules 24.09(2), (3) and (5)(a))~~

~~1.—In the case of an introduction in the circumstances set out in rule 10.18(3):—~~

~~(1)—the summary of the provisions of the constitutive documents of the overseas issuer, which is required by rule 24.09(2);~~

~~(2)—the summary of the relevant regulatory provisions (statutory or otherwise) of the jurisdiction in which the overseas issuer is incorporated or otherwise established, which is required by rule 24.09(3); and~~

~~(3)—the comparison between those constitutive documents and the listed Hong Kong issuer's existing articles of association, which is required by rule 24.09(5)(a);~~

~~may be published on the Exchange's website and the issuer's own website rather than~~

set out in the listing document.

- ~~2. In such cases the details of the articles of association or equivalent document required to be set out in the listing document by paragraph 7 of Part A of Appendix 1 may be limited to a summary of the changes, if any, between the Hong Kong issuer's articles of association and the overseas issuer's proposed constitutive documents, in respect of each of the areas set out in that paragraph, provided that the summary also includes details of any differences or additional provisions in the proposed new constitutive documents which confer on directors of the overseas issuer any special powers, the exercise of which would affect the rights or interests of the shareholders.~~
- ~~3. The summary and, where relevant, comparison of the constitutive documents required by rules 24.09(2) and 24.09(5)(a), must be set out under the following headings and where any item is not applicable the words "not applicable" should be inserted under the relevant heading:—~~

~~(1) directors~~

~~(a) power to allot and issue shares~~

~~(i) summary~~

~~(ii) differences~~

~~(b) power to dispose of the overseas issuer's or any of its subsidiaries' assets~~

~~(i) summary~~

~~(ii) differences~~

~~(c) compensation or payments for loss of office~~

~~(i) summary~~

~~(ii) differences~~

~~(d) loans to directors~~

~~(i) summary~~

~~(ii) differences~~

~~(e) giving of financial assistance to purchase the overseas issuer's or any of its subsidiaries' shares~~

~~(i) summary~~

~~(ii) differences~~

~~(f) disclosure of interests in contracts with the overseas issuer or any of its subsidiaries~~

~~(i) summary~~

~~(ii) differences~~

~~(g) remuneration~~

~~(i) summary~~

~~(ii) differences~~

~~(h) retirement, appointment, removal~~

~~(i) summary~~

~~(ii) differences~~

~~(i) borrowing powers~~

~~(i) summary~~

~~(ii) differences~~

~~(2) alterations to constitutional documents~~

~~(i) summary~~

~~(ii) differences~~

~~(3) variation of rights of existing shares or classes of shares~~

~~(i) summary~~

~~(ii) differences~~

~~(4) special resolutions—majority required~~

~~(i) summary~~

~~(ii) differences~~

~~(5) voting rights (generally and on a poll)~~

~~(i) summary~~

~~(ii) differences~~

~~(6) requirements for annual general meetings~~

~~(i) summary~~

~~(ii) differences~~

- (7) ~~accounts and audit~~
 - (i) ~~summary~~
 - (ii) ~~differences~~

- (8) ~~notice of meetings and business to be conducted thereat~~
 - (i) ~~summary~~
 - (ii) ~~differences~~

- (9) ~~transfer of shares~~
 - (i) ~~summary~~
 - (ii) ~~differences~~

- (10) ~~power of overseas issuer to purchase its own shares~~
 - (i) ~~summary~~
 - (ii) ~~differences~~

- (11) ~~power for any subsidiary of the overseas issuer to own shares in its parent~~
 - (i) ~~summary~~
 - (ii) ~~differences~~

- (12) ~~dividends and other methods of distribution~~
 - (i) ~~summary~~
 - (ii) ~~differences~~

- (13) ~~proxies~~
 - (i) ~~summary~~
 - (ii) ~~differences~~

- (14) ~~calls on shares and forfeiture of shares~~
 - (i) ~~summary~~
 - (ii) ~~differences~~

- (15) ~~inspection of register of members~~
 - (i) ~~summary~~
 - (ii) ~~differences~~

- (16) ~~quorum for meetings and separate class meetings~~
 - (i) ~~summary~~
 - (ii) ~~differences~~

~~(17) rights of the minorities in relation to fraud or oppression thereof~~

~~(i) summary~~

~~(ii) differences~~

~~(18) procedures on liquidation~~

~~(i) summary~~

~~(ii) differences~~

~~(19) any other provisions material to the overseas issuer or the shareholders thereof.~~

~~4. [Repealed 5 July 2021]~~

Additional Documents on Display

~~5. The requirements of Chapter 24 and this Appendix mean that in the case of an introduction in the circumstances set out in rule 10.18(3) the following additional documents must be published on the Exchange's website and the issuer's own website:—~~

~~(1) a summary of the relevant regulatory provisions (statutory or otherwise) of the country where the overseas issuer is incorporated or otherwise established together with a copy of all relevant statutes and/or regulations;~~

~~(2) a summary of the provisions of the proposed new constitutive documents of the overseas issuer and a comparison between the overseas issuer's constitutive documents and the constitutive documents of the listed Hong Kong issuer or issuers whose securities have been exchanged; and~~

~~(3) copies of the full valuation report in respect of any property valuations which are only summarised in the listing document (see rule 24.09(5)(e)).~~

Appendix 11

ADDITIONAL REQUIREMENTS IN RESPECT OF CERTAIN JURISDICTIONS

PART B

THE CAYMAN ISLANDS

THIS APPENDIX HAS BEEN REPEALED

[Repealed 1 January 2022]

~~Section 1. — Additional requirements for memorandum and articles of association~~

~~Section 2. — Modifications and additional requirements~~

~~Section 1~~

~~ADDITIONAL REQUIREMENTS FOR THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF ISSUERS INCORPORATED OR OTHERWISE ESTABLISHED IN THE CAYMAN ISLANDS~~

~~(see rule 24.06(1))~~

~~In addition to the provisions of Appendix 3, the articles of association of issuers incorporated or otherwise established in the Cayman Islands must conform with the following provisions:—~~

~~1. — As regards the memorandum and articles of association~~

~~To the extent that the same is permissible under Cayman Islands law, the memorandum and articles of association must stipulate that they may not be changed without a special resolution, and the articles of association shall define “special resolution” to mean a resolution passed by members holding three fourths of the voting rights of those present and voting in person or by proxy at a meeting of members.~~

~~2. — As regards general meetings~~

~~(1) — The articles of association shall stipulate that if at any time the share capital is~~

~~divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied only with the consent in writing of the holders of three-fourths in nominal value of the issued shares of the class in question or with the sanction of a resolution passed at a separate general meeting of the holders of the shares of that class by members holding shares representing three-fourths in nominal value of the shares present in person or by proxy and voting at such meeting. The articles of association shall provide that to every such separate general meeting the provisions of the articles of association relating to general meetings shall mutatis mutandis apply, but the articles of association may vary the quorum provisions relevant to any such meeting.~~

~~(2) The articles of association shall provide that every member shall be entitled to appoint a proxy who need not necessarily be a member of the issuer and that every shareholder being a corporation shall be entitled to appoint a representative to attend any general meeting of the issuer and, where a corporation is so represented, it shall be treated as being present at any meeting in person.~~

~~(3) [Repealed 1 January 2009]~~

3. — As regards shareholders

~~(1) The articles of association shall stipulate that any annual general meeting must be called by notice of at least 21 days, and that any other general meeting (including an extraordinary general meeting) must be called by notice of at least 14 days. The articles of association shall stipulate that the notice convening a meeting shall contain particulars of the resolutions to be considered at that meeting.~~

~~*Note: The articles of association may provide that issuers may convene a general meeting on shorter notice than required under this provision or the companies' articles of association if it is agreed:*~~

~~(a) *in the case of an annual general meeting, by all the members entitled to attend and vote at the meeting; and*~~

~~(b) *in any other case, by a majority in number of the members having the right to attend and vote at the meeting, being a majority together representing at least 95% of the total voting rights at the meeting of all the members.*~~

~~(2) The articles of association shall provide for the branch register of members in Hong Kong to be open for inspection by members but may permit the company to close the register in terms equivalent to section 632 of the Companies Ordinance.~~

~~(3) The articles of association shall require an annual general meeting to be held in each year and shall provide that the audited accounts shall be sent to members at the same time as the notice of annual general meeting.~~

4. As to accounts

~~(1) The articles of association shall require the issuer to keep proper books of account necessary to give a true and fair view of the issuer's affairs.~~

~~(2) The articles of association shall provide that accounts shall be audited and shall be laid before members at the annual general meeting which must be held in each year; not more than 15 months (or such longer period as the Exchange may authorise) may elapse between the date of one annual general meeting and the next.~~

5. As to directors

~~(1) The articles of association shall provide that directors may be removed at any time by ordinary resolution of the members.~~

~~(2) The articles of association shall restrict the making of loans to directors and their close associates and shall import provisions at least equivalent to the provisions of Hong Kong law prevailing at the time of the adoption of the articles of association.~~

~~(3) The articles of association shall contain provisions requiring the directors to declare their material interests in any contracts with the issuer at the earliest meeting of the board of directors of the issuer at which it is practicable for them to do so either specifically or by way of a general notice stating that, by reason of facts specified in the notice, they are to be regarded as interested in any contracts of a specified description which may subsequently be made by the issuer.~~

~~(4) The articles of association shall stipulate that the issuer in general meeting must approve the payment to any director or past director of any sum by way of~~

~~compensation for loss of office or as consideration or in connection with his retirement from office (not being a payment to which the director is contractually entitled).~~

6. ~~As to corporate representatives~~

~~The articles of association shall provide that if a recognised clearing house within the meaning of Part 1 of Schedule 1 to the Securities and Futures Ordinance is a member of the company it may authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the company or at any meeting of any class of members of the company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee) which he represents as that clearing house (or its nominee) could exercise if it were an individual shareholder of the company.~~

Section 2

MODIFICATIONS AND ADDITIONAL REQUIREMENTS

~~(see rules 24.09(2), (3) and (5)(a))~~

~~1. In the case of an introduction in the circumstances set out in rule 10.18(3):—~~

~~(1) the summary of the provisions of the constitutive documents of the overseas issuer, which is required by rule 24.09(2);~~

~~(2) the summary of the relevant regulatory provisions (statutory or otherwise) of the jurisdiction in which the overseas issuer is incorporated or otherwise established, which is required by rule 24.09(3); and~~

~~(3) the comparison between those constitutive documents and the listed Hong Kong issuer's existing articles of association, which is required by rule 24.09(5)(a);~~

~~may be published on the Exchange's website and the issuer's own website rather than set out in the listing document.~~

~~2. In such cases the details of the articles of association or equivalent document required to be set out in the listing document by paragraph 7 of Part A of Appendix 1 may be limited to a summary of the changes, if any, between the Hong Kong issuer's articles of association and the overseas issuer's proposed constitutive documents, in respect of each of the areas set out in that paragraph, provided that the summary also includes details of any differences or additional provisions in the proposed new constitutive documents which confer on directors of the overseas issuer any special powers, the exercise of which would affect the rights or interests of the shareholders.~~

~~3. The summary and, where relevant, comparison of the constitutive documents required by rules 24.09(2) and 24.09(5)(a), must be set out under the following headings and where any item is not applicable the words "not applicable" should be inserted under the relevant heading:—~~

~~(1) directors~~

~~(a) power to allot and issue shares~~

~~(i) summary~~

~~(ii) differences~~

~~(b) power to dispose of the overseas issuer's or any of its subsidiaries' assets~~

~~(i) summary~~

~~(ii) differences~~

~~(c) compensation or payments for loss of office~~

~~(i) summary~~

~~(ii) differences~~

~~(d) loans to directors~~

~~(i) summary~~

~~(ii) differences~~

~~(e) giving of financial assistance to purchase the overseas issuer's or any of its subsidiaries' shares~~

~~(i) summary~~

~~(ii) differences~~

~~(f) disclosure of interests in contracts with the overseas issuer or any of its subsidiaries~~

- ~~(i) summary~~
- ~~(ii) differences~~

- ~~(g) remuneration~~
 - ~~(i) summary~~
 - ~~(ii) differences~~

- ~~(h) retirement, appointment, removal~~
 - ~~(i) summary~~
 - ~~(ii) differences~~

- ~~(i) borrowing powers~~
 - ~~(i) summary~~
 - ~~(ii) differences~~

- ~~(2) alterations to constitutional documents~~
 - ~~(i) summary~~
 - ~~(ii) differences~~

- ~~(3) variation of rights of existing shares or classes of shares~~
 - ~~(i) summary~~
 - ~~(ii) differences~~

- ~~(4) special resolutions – majority required~~
 - ~~(i) summary~~
 - ~~(ii) differences~~

- ~~(5) voting rights (generally and on a poll)~~
 - ~~(i) summary~~
 - ~~(ii) differences~~

- ~~(6) requirements for annual general meetings~~
 - ~~(i) summary~~
 - ~~(ii) differences~~

- ~~(7) accounts and audit~~
 - ~~(i) summary~~
 - ~~(ii) differences~~

- ~~(8) — notice of meetings and business to be conducted thereat
 - ~~(i) — summary~~
 - ~~(ii) — differences~~~~

- ~~(9) — transfer of shares
 - ~~(i) — summary~~
 - ~~(ii) — differences~~~~

- ~~(10) — power of overseas issuer to purchase its own shares
 - ~~(i) — summary~~
 - ~~(ii) — differences~~~~

- ~~(11) — power for any subsidiary of the overseas issuer to own shares in its parent
 - ~~(i) — summary~~
 - ~~(ii) — differences~~~~

- ~~(12) — dividends and other methods of distribution
 - ~~(i) — summary~~
 - ~~(ii) — differences~~~~

- ~~(13) — proxies
 - ~~(i) — summary~~
 - ~~(ii) — differences~~~~

- ~~(14) — calls on shares and forfeiture of shares
 - ~~(i) — summary~~
 - ~~(ii) — differences~~~~

- ~~(15) — inspection of register of members
 - ~~(i) — summary~~
 - ~~(ii) — differences~~~~

- ~~(16) — quorum for meetings and separate class meetings
 - ~~(i) — summary~~
 - ~~(ii) — differences~~~~

- ~~(17) — rights of the minorities in relation to fraud or oppression thereof
 - ~~(i) — summary~~
 - ~~(ii) — differences~~~~

~~(18) — procedures on liquidation~~

~~(i) — summary~~

~~(ii) — differences~~

~~(19) — any other provisions material to the overseas issuer or the shareholders thereof.~~

~~4. — [Repealed 5 July 2021]~~

Additional Documents on Display

~~5. — The requirements of Chapter 24 and this Appendix mean that in the case of an introduction in the circumstances set out in rule 10.18(3) the following additional documents must be published on the Exchange's website and the issuer's own website: —~~

~~(1) — a summary of the relevant regulatory provisions (statutory or otherwise) of the country where the overseas issuer is incorporated or otherwise established together with a copy of all relevant statutes and/or regulations;~~

~~(2) — a summary of the provisions of the proposed new constitutive documents of the overseas issuer and a comparison between the overseas issuer's constitutive documents and the constitutive documents of the listed Hong Kong issuer or issuers whose securities have been exchanged; and~~

~~(3) — copies of the full valuation report in respect of any property valuations which are only summarised in the listing document (see rule 24.09(5)(e)).~~

Appendix 15

CORPORATE GOVERNANCE CODE AND CORPORATE GOVERNANCE REPORT

...

A.4 Appointments, re-election and removal

...

~~A.4.2 All directors appointed to fill a casual vacancy should be subject to election by~~

~~shareholders at the first general meeting after appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.~~

...

E.1 Effective communication

...

E.1.3 ~~[Repealed 1 January 2022]The issuer should arrange for the notice to shareholders to be sent for annual general meetings at least 20 clear business days before the meeting and to be sent at least 10 clear business days for all other general meetings.~~