

Consultation Paper

# Rule Amendments Following Mainland China Regulation Updates and Other Proposed Rule Amendments Relating to PRC Issuers



---

## **CONTENTS**

---

	<b>Page No.</b>
<b>DEFINITIONS</b>	1
<b>EXECUTIVE SUMMARY</b>	3
<b>CHAPTER 1: INTRODUCTION</b>	6
<b>CHAPTER 2: RULE AMENDMENTS FOLLOWING MAINLAND CHINA REGULATION UPDATES</b>	9
<b>CHAPTER 3: OTHER PROPOSED RULE AMENDMENTS</b>	17
<b>CHAPTER 4: HOUSEKEEPING RULE AMENDMENTS</b>	25
 <b>APPENDICES</b>	
APPENDIX I : PROPOSED HOUSEKEEPING RULE AMENDMENTS	
APPENDIX II : DRAFT AMENDMENTS TO THE LISTING RULES	
APPENDIX III : PRIVACY POLICY STATEMENT	

## HOW TO RESPOND TO THIS CONSULTATION PAPER

The Exchange, a wholly owned subsidiary of HKEX, invites written comments on the matters discussed in this paper, or comments on related matters that might have an impact upon the matters discussed in this paper, on or before **24 March 2023**.

You may submit written comments by completing the questionnaire which can be accessed via the link and QR code below:

Link: [https://surveys.hkex.com.hk/jfe/form/SV\\_3eoyLnVdJ99srH0](https://surveys.hkex.com.hk/jfe/form/SV_3eoyLnVdJ99srH0)

QR code:



Our submission enquiry number is (852) 2840-3844.

Respondents are reminded that the Exchange will publish responses on a named basis. If you do not wish your name to be disclosed to members of the public, please state so when responding to this paper. Our policy on handling personal data is set out in Appendix III.

Submissions received during the consultation period by **24 March 2023** will be taken into account before the Exchange decides upon any appropriate further action and a consultation conclusions paper will be published in due course.

## DISCLAIMER

HKEX and/or its subsidiaries have endeavoured to ensure the accuracy and reliability of the information provided in this document, but do not guarantee its accuracy and reliability and accept no liability (whether in tort or contract or otherwise) for any loss or damage arising from any inaccuracy or omission or from any decision, action or non-action based on or in reliance upon information contained in this document.

## DEFINITIONS

TERM	DEFINITION
<b>“A+H issuer”</b>	a PRC issuer whose H shares and domestic shares are listed on the Exchange and a PRC stock exchange respectively
<b>“A shares”</b>	domestic shares which are listed on a PRC stock exchange
<b>“CSRC”</b>	China Securities Regulatory Commission
<b>“domestic shares”</b>	shares of a PRC issuer which are subscribed for in Renminbi
<b>“Exchange”</b>	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of HKEX
<b>“GEM Rules”</b>	the Rules Governing the Listing of Securities on GEM
<b>“H shares”</b>	shares of a PRC issuer which are listed on the Exchange
<b>“HKEX”</b>	Hong Kong Exchanges and Clearing Limited
<b>“Hong Kong Register”</b>	for a PRC issuer, the part of its register of members located and maintained in Hong Kong pursuant to its articles of association
<b>“Main Board”</b>	the Main Board of the Exchange
<b>“Mandatory Provisions”</b>	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
<b>“New PRC Regulations”</b>	the “Decision of the State Council to Repeal Certain Administrative Regulations and Documents” issued by the State Council of the PRC on 17 February 2023 and the “Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies” and related guidelines issued by the CSRC on 17 February 2023

<b>“PRC” or “Mainland”</b>	for purposes of the Exchange Listing Rules, the People’s Republic of China, other than the regions of Hong Kong, Macau and Taiwan
<b>“PRC Company Law”</b>	the Company Law of the PRC adopted at the Fifth Session of the Standing Committee of the Eighth National People’s Congress on 29 December 1993 and effective from 1 July 1994, as amended, supplemented or otherwise modified from time to time
<b>“PRC Guidelines on AoA”</b>	the Guidelines for the Articles of Association of Listed Companies issued by the CSRC
<b>“PRC issuer”</b>	an issuer which is duly incorporated in the PRC as a joint stock limited company
<b>“PRC law”</b>	the applicable provisions of the PRC constitution, or any statute, ordinance, regulation, rule or normative statement from time to time in force in the PRC, as the context may require
<b>“Rules” or “Listing Rules”</b>	the Rules Governing the Listing of Securities on the Exchange (Main Board unless otherwise stated)
<b>“Special Regulations”</b>	the Special Regulations on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (國務院關於股份有限公司境外募集股份及上市的特別規定) issued by the State Council of the PRC on 4 August 1994, as amended, supplemented or otherwise modified from time to time

---

## **EXECUTIVE SUMMARY**

---

1. This paper sets out the consequential amendments to the Listing Rules to reflect changes in PRC regulations recently announced by the State Council and the CSRC.
2. We also propose to remove or modify certain requirements specific to PRC issuers which are no longer necessary. Our proposal aligns certain requirements for PRC issuers under Chapter 19A with the requirements for overseas issuers under Chapter 19 and is consistent with the Exchange's objective of providing a consistent framework for the protection for investors of all issuers regardless of their places of incorporation<sup>1</sup>.

### **I. Background**

3. Chapter 19A and Appendix 13D were introduced in 1993 to set out additional and modified requirements for listing PRC issuers on the Exchange. These include requirements to reflect specific shareholder protection provisions (such as those set out in the Mandatory Provisions) and to address issues arising from domestic shares and H shares being treated as different classes.
4. On 17 February 2023, the State Council and the CSRC announced the implementation of the New PRC Regulations which will take effect from 31 March 2023. On the same date as the New PRC Regulations take effect, the Special Regulations and the Mandatory Provisions will be repealed. PRC issuers shall formulate their articles of association in line with the PRC Guidelines on AoA in place of the Mandatory Provisions. Since holders of domestic shares and H shares (which are both ordinary shares) are no longer deemed as different classes of shareholders, the class meeting requirement now applicable to holders of domestic shares and H shares are no longer necessary.
5. The New PRC Regulations also introduce a new filing regime which requires Mainland companies to register their direct and indirect overseas listings and securities offerings with the CSRC by filing materials on key compliance issues.

### **II. Consequential Rule amendments (chapter 2 of this paper)**

6. Following the implementation of the New PRC Regulations, we will make consequential amendments to the Listing Rules as follows:
  - (a) amend Chapter 19A to remove:

---

<sup>1</sup> Please refer to the Consultation Conclusions on Listing Regime for Overseas Issuers of November 2021 which discusses the current framework to govern overseas issuers.

- (i) the class meeting and related requirements for issuance of new shares and repurchase of existing shares by PRC issuers; and
  - (ii) the requirements for disputes involving H shareholders to be resolved through arbitration;
- (b) repeal Appendix 13D which requires PRC issuers' articles of association to include the Mandatory Provisions and other ancillary requirements; and
- (c) amend the documentary requirements for new listing applications in Chapters 9 and 19A to reflect the PRC new filing requirements for overseas listings of Mainland companies.

*Implementation date*

7. As explained in chapter 2, we consider that our Rule amendments would not compromise protection of H shareholders of PRC issuers. Given that the Rule amendments are consequential to the changes in PRC regulations, a market consultation is not required.
8. The amended Rules are set out in Appendix II to this paper. They will become effective on a date to be announced, subject to the necessary regulatory approvals.
9. Under the New PRC Regulations, PRC issuers shall formulate their articles of association in line with the PRC Guidelines on AoA and the Mandatory Provisions will cease to apply. PRC issuers listed on the Exchange are bound by both the Listing Rules and the provisions in their articles of association. In other words, these PRC issuers must still adhere to their existing articles concerning class meetings for certain resolutions and other provisions required under the Mandatory Provisions where applicable, until they amend their articles of association. They should also comply with the Listing Rules (or the amended Rules after the effective date of the Rule amendments) at all times.
10. Under the New PRC Regulations, new listing applicants incorporated in the PRC are expected to follow the PRC Guidelines on AoA in preparing their articles of association. The Exchange will allow these applicants to comply with the Rules taking into account the consequential amendments if they are listed on the Exchange during the period between the repeal of the Mandatory Provisions and the effective date of the Rule amendments.

**III. Other proposed Rule amendments (chapters 3 and 4 of this paper)**

11. As PRC issuers are no longer required by the Mandatory Provisions to deem holders of their domestic shares and H shares to be different classes of shareholders, we propose to modify the Rules that address issues arising from domestic shares and H shares being treated as

different classes. We also propose to remove or modify certain additional shareholder protection requirements specific to PRC issuers that are no longer necessary in light of developments in PRC law and the Mainland financial market:

- (a) modify the Rules to allow the limits on general mandate for issuing new shares and scheme mandate for share schemes to be calculated with reference to a PRC issuer's total issued shares (instead of referencing to each of domestic shares and H shares);
  - (b) remove the requirements for directors, officers and supervisors of PRC issuers to provide undertakings to the issuers and their shareholders to comply with the PRC Company Law and the articles of association;
  - (c) move certain requirements on compliance advisers from Chapter 19A (for PRC issuers) to Chapter 3A (for all issuers), being the requirements for issuers to provide access to their compliance advisers at all times and the compliance advisers to inform the issuers on a timely basis of any amendment to the Listing Rules and applicable laws and regulations in Hong Kong. Other requirements in Chapter 19A relating to the role of sponsors and compliance advisers and their termination and replacement will be removed as Chapter 3A contains similar requirements; and
  - (d) remove the requirements in Chapter 19A relating to (i) online display or physical inspection of documents and (ii) disclosure of material differences in laws and regulations between the PRC and Hong Kong in the listing documents of PRC new applicants.
12. We also propose housekeeping Rule amendments to remove provisions in Chapter 19A which duplicate other Rules or are outdated as set out in Appendix I.

*Request for comment*

13. The proposed Rule amendments are set out in Appendix II.
14. We invite public comments on the proposals. Any final Rule amendments and details regarding implementation would be published in a conclusions paper after we have considered the public's views. When providing your comments please give reasons for your views.



---

## CHAPTER 1: INTRODUCTION

---

### History and development

15. The legal framework for PRC issuers to list shares overseas was established in the early 1990s and comprised the PRC Company Law, the Special Regulations and the Mandatory Provisions. Among others, the Mandatory Provisions deem holders of domestic shares and H shares (which are both ordinary shares) as different classes of shareholders, and require a class meeting where a PRC issuer proposes to vary or abrogate the rights attached specifically to one particular class of shareholders.
16. Chapter 19A and Appendix 13D were introduced in 1993 to set out additional and modified requirements for listing PRC issuers on the Exchange. These Rules reflect or deal with:
  - (a) specific shareholder protection provisions set out in the Special Regulations and the Mandatory Provisions (see discussion in chapter 2);
  - (b) domestic shares and H shares being operated in different markets, of which only H shares are traded on the Exchange (see discussion in chapter 3); and
  - (c) specific requirements under PRC law, and measures providing additional H shareholder protection (see discussion in chapter 3).
17. Since 1993, there have been significant developments in PRC law and the Mainland financial market. While domestic shares and H shares are traded separately on the PRC exchanges and the Exchange, such developments have lessened the distinctions between the two markets. Major developments on securities listing and trading include the following:
  - (a) *Stock Connect of the markets of A shares and H shares* – The Shanghai Connect and the Shenzhen Connect, launched in 2014 and 2016 respectively, provide channels for investors in the Mainland and Hong Kong to trade shares listed on the other market. Under the Stock Connect, the shares of all 143 A+H issuers are eligible securities.
  - (b) *H share full circulation scheme* – In 2019, the CSRC implemented a full circulation scheme to facilitate holders of unlisted domestic shares to convert their shares into H shares for listing and trading on the Exchange. Since then, 28 PRC issuers have fully or partly converted their unlisted domestic shares into H shares after listing.
  - (c) *Dual listings of non-PRC issuers on the Exchange and the Shanghai Stock Exchange* – Since 2020, 5 listed issuers incorporated in Hong Kong or overseas jurisdictions have listed on the Shanghai Stock Exchange and issued shares to Mainland

investors. While the shares traded on the Exchange and the Shanghai Stock Exchange are not fungible, PRC regulations do not require holders of such shares to be treated as different classes of shareholders.

To address issues arising from the listing of the Hong Kong shares on the Exchange (and the PRC shares on the Shanghai Stock Exchange) and different treatments for PRC and Hong Kong investors, we have imposed additional requirements and provided waivers to these non-PRC issuers similar to those applicable to PRC issuers.<sup>2</sup>

### **Recent changes in PRC regulations**

18. On 17 February 2023, the State Council and the CSRC announced the implementation of the New PRC Regulations which will take effect from 31 March 2023. On the same date as the New PRC Regulations take effect, the Special Regulations and the Mandatory Provisions will be repealed.
19. Under the New PRC Regulations, PRC issuers shall formulate their articles of association in line with the PRC Guidelines on AoA<sup>3</sup> issued by the CSRC and the Mandatory Provisions will cease to apply. Since holders of domestic shares and H shares are no longer deemed as different classes of shareholders, the class meeting requirement now applicable to holders of domestic shares and H shares are no longer necessary.
20. The New PRC Regulations also introduce a new filing regime for all direct and indirect<sup>4</sup> overseas listings and securities offerings by Mainland companies. This regime requires Mainland companies to register their overseas listings and securities offerings with the CSRC by filing materials on key compliance issues<sup>5</sup>. This replaces the existing approval system that requires any direct overseas listings of Mainland companies (i.e. the “H-share” model) to be approved by the CSRC.

### **Purpose of this paper**

21. This paper sets out the consequential amendments to the Listing Rules to reflect the changes in PRC regulations.

---

<sup>2</sup> These include, among others, (i) any share repurchase on the Exchange and any general mandate for new issuance of shares are limited to 10% and 20% of the Hong Kong shares respectively; (ii) only Hong Kong shareholders may approve the withdrawal of the Hong Kong shares' listing on the Exchange; (iii) listing approvals are given by the Exchange for the Hong Kong shares only and only the Hong Kong shares are required to be listed on the Exchange (modification to Rule 8.20 which requires all shares of the same class to be listed on the Exchange); and (iv) modifications are made to exclude holders of the PRC shares from certain shareholders' communication requirements (to align with the requirements on the PRC exchanges allowing electronic communication).

<sup>3</sup> The guidelines are currently applicable to Mainland companies listed on PRC stock exchanges.

<sup>4</sup> The new filing regime also applies to overseas-incorporated issuers with principal operations in the Mainland such as red-chips and companies with VIE structures.

<sup>5</sup> Such as compliance with the PRC laws and regulations regarding foreign investment, cyberspace security, data security, State-owned asset management and the status of companies completing the relevant security review procedures before applying for overseas listings.

22. We also take this opportunity to review the Rules relating to PRC issuers and propose to remove or modify certain requirements specific to PRC issuers which are no longer necessary. We seek market views on our proposed Rule amendments.
23. Unless otherwise stated, Rules cited in this paper refer to the Main Board Rules. The Rule amendments apply equally to the GEM Rules, and corresponding amendments will be made accordingly.

---

## **CHAPTER 2: RULE AMENDMENTS FOLLOWING MAINLAND CHINA REGULATION UPDATES**

---

24. This chapter summarises the Listing Rules that reflect specific shareholder protection requirements set out in the Special Regulations and the Mandatory Provisions and discusses the consequential Rule amendments following the implementation of the New PRC Regulations and the repeal of the Special Regulations and the Mandatory Provisions.

### **Background**

25. Pursuant to the PRC Company Law, the Special Regulations were formulated in the early 1990s to set out the legal framework for PRC issuers to offer and list their shares outside the Mainland. Under the Special Regulations, the Mandatory Provisions provide the standard provisions required to be included in PRC issuers' articles of association to regulate their activities and govern the rights and obligations of the PRC issuers and their shareholders (including shareholder protection requirements).

### **Ordinary shares being one class of shares comprising domestic shares and H shares**

26. A PRC issuer issues ordinary shares which in themselves are one class of shares having the same substantive rights such as voting, dividend and asset distribution on liquidation. "Ordinary shares" comprise "domestic shares" (e.g. "A shares") and "foreign shares" (e.g. "H shares" listed on the Exchange).
27. Under the Mandatory Provisions, the ordinary shares issued in RMB to investors in the Mainland are domestic shares, whereas those issued in foreign currency to investors in an overseas market are foreign shares.
28. Despite being categorised as domestic shares and H shares, holders of these shares are entitled to substantively the same rights given that they are both ordinary shares.

### **Domestic shares and H shares being deemed as different classes**

29. The Mandatory Provisions further provide that a PRC issuer's articles of association must include provisions to deem holders of domestic shares and H shares as different classes of shareholders if any applicable stock exchange rules so require.

*(i) Class meeting requirement*

30. As a result of the above deeming provision, the Mandatory Provisions require a PRC issuer's proposal to vary or abrogate the rights of one class of shareholders<sup>6</sup> to be subject to special resolutions at (i) a shareholder meeting and (ii) separate class meetings of holders of domestic shares and of H shares. This includes an increase or decrease in the number of shares of any one particular class.

*(ii) Provisions that facilitate the holding of H shares*

31. The Special Regulations or the Mandatory Provisions also provide that holders of H shares shall receive dividends in foreign currency, resolve disputes between H shareholders and directors or officers of the PRC issuer by arbitration, receive meeting notice and financial statements by mail and record H shareholder's name on the Hong Kong Register. These provisions facilitate the holding of H shares by foreign investors, address issues arising from PRC foreign exchange restrictions and provide the arbitration mechanism to resolve disputes involving H shareholders.

**Listing Rules applicable to PRC issuers**

32. Against this background, the Listing Rules introduced Appendix 13D to require PRC issuers' articles of association to include the Mandatory Provisions and additional provisions which elaborate the requirements of the Mandatory Provisions. The Listing Rules also introduced Chapter 19A to provide additional and modified requirements to reflect the shareholder protection requirements under the Mandatory Provisions.

---

<sup>6</sup> Article 80 of the Mandatory Provisions sets out the following 12 situations where the rights of a class of shareholders are regarded as having been changed or abrogated:

- (1) to increase or decrease the number of shares of such class, or increase or decrease the number of shares of a class having voting or equity rights or privileges equal or superior to the shares of such class;
- (2) to effect an exchange of all or part of the shares of such class or effect an exchange or create a right of exchange of all or part of the shares of another class into the shares of such class or confer such rights of exchange;
- (3) to remove or reduce rights to accrued dividends or rights to cumulative dividends of such class;
- (4) to reduce or remove a dividend preference or a liquidation preference of such class;
- (5) to add, remove or reduce conversion privileges, options, voting, transfer or pre-emptive rights or rights to acquire securities of the company of such class;
- (6) to remove or reduce rights to receive amounts payable by the company in particular currencies of such class;
- (7) to create a new class of shares having voting or equity rights or other privileges equal or superior to the shares of such class;
- (8) to constrain the transfer of ownership of the shares of such class or add to such constraint;
- (9) to issue rights to subscribe for, or convert into, shares in the company of such class or another class;
- (10) to increase the rights or privileges of another class;
- (11) to reconstruct the company where the proposed restructuring will result in different class shareholders bearing a disproportionate burden of such proposed restructuring; and
- (12) to vary or abrogate the provisions stipulated in chapter 9 of the Mandatory Provisions.

**A. Consequential Rule amendments following the repeal of the Special Regulations and the Mandatory Provisions**

33. Under the New PRC Regulations, PRC issuers shall formulate their articles of association in line with the PRC Guidelines on AoA and the Mandatory Provisions will cease to apply. Since holders of domestic shares and H shares are no longer deemed to be different classes of shareholders, the class meeting requirement now applicable to holders of domestic shares and H shares are no longer necessary. In addition, the use of arbitration to resolve disputes is no longer required.

34. We set out below details of the consequential Rule amendments.

**(1) Class meeting and other requirements relating to issuance and repurchase of shares by PRC issuers**

*(i) Class meeting requirement*

35. We will amend Rules 19A.25 and 19A.38 (and the related references in Rule 13.36(1)) and Paragraphs 56 and 65(a) of Rule 19A.42 to remove the class meeting requirement relating to the issuance and repurchase of shares by PRC issuers following the repeal of the Special Regulations and the Mandatory Provisions.

36. The removal of the class meeting requirement would not compromise protection of H shareholders. Currently, class meetings are only required for change or abrogation of the rights of a class of shareholders (see paragraph 30). As domestic shares and H shares are regarded as one class of ordinary shares under PRC law, the substantive rights attached to these two kinds of shares (including rights on voting, dividend and asset distribution upon liquidation) are the same.

37. In practice, class meetings are held primarily for issuance of new shares (other than general mandate issue which is approved in general meetings) or repurchase of shares<sup>7</sup>. As a result, one class of shareholders can disapprove an issuance or repurchase of domestic or H shares, despite not holding the majority of the issuer's total issued shares. Other matters requiring shareholders' approval under the Rules, such as notifiable transactions or connected transactions, are generally approved by all shareholders in general meetings.

38. As H shares and domestic shares are traded on separate exchanges and not fungible, the class meeting arrangement effectively allows H shareholders to prevent an increase or decrease in the relative number of H shares or domestic shares (for example, H shares cannot be issued if H shareholders or domestic shareholders vote against the proposal). This affects the relative proportion of the PRC issuer's shares listed on each exchange and their relative liquidity (see section (ii) below for a discussion

---

<sup>7</sup> Another circumstance in which class meetings are held is amendment of articles of association to implement a full circulation of domestic shares.

on the impact on public float), rather than the rights of the H or domestic shareholders (as the rights of H and domestic shares are substantively the same).

39. The removal of the class meeting requirement is consistent with the current arrangement for non-PRC issuers with a dual listing on the PRC exchange and the Exchange (see paragraph 17(c)). While the shares of these companies are separately listed on the Exchange and the PRC exchange and such shares are non-fungible, the PRC regulations (and also our Rules) do not require shares listed on the different exchanges to be treated as different classes of shares.

*(ii) Impact on public float*

40. We consider that the removal of the “separate classes” treatment would not adversely affect the PRC issuer’s public float or raise a concern about the availability of an open market for the trading of H shares. Under Rule 8.08<sup>8</sup>, the PRC issuer’s public float is calculated by reference to both its A and H shares held by the public and as such, an A share issuance to third parties would increase the issuer’s public float. Further, given that the absolute number of H shares traded on the Exchange would not be changed, the liquidity of the H shares on the Exchange would be unaffected. In addition, Rule 8.08 requires an issuer to maintain, at all times, an open market for the securities traded on the Exchange. This provision would guard against any event giving rise to insufficient H shares available for trading on the Exchange.

*(iii) Other additional requirements*

41. We will also remove other additional requirements that reflect the Mandatory Provisions, including requirements for special resolutions to approve an issuance or repurchase of shares and requirements for shareholders’ approval for all pre-emptive issuance of shares<sup>9</sup>. We will amend Rules 19A.25 and 19A.38 and Paragraphs 65(b) and 65(c) of Rule 19A.42 to align with the requirements applicable to overseas issuers as follows:

- (a) require the issuance or repurchase of shares to be approved by ordinary resolution (rather than special resolution) in general meeting;
- (b) exempt shareholders’ approval requirement for pre-emptive issuance of shares; and
- (c) remove the exemption for issuance of shares under a PRC issuer’s plan adopted at the time of its establishment and implemented within

---

<sup>8</sup> Rule 8.08(1)(b) (as amended by Rule 19A.13A under the Rule amendments) also requires that an A+H issuer’s H shares listed on the Exchange must, at the time of listing, be not less than 15% of the issuer’s total number of issued shares with a market capitalisation of not less than HK\$125 million for a Main Board issuer (or HK\$45 million for a GEM issuer).

<sup>9</sup> PRC issuers must still comply with the PRC Company Law which requires any issuance or repurchase of shares to be approved by special resolution in general meeting.

15 months from the date of the approval by the CSRC, which is specified in the Mandatory Provisions and not the New PRC Regulations.

**(2) Definitions of “domestic shares” and “H shares” and references to “classes” of shares**

42. While domestic shares and H shares are no longer deemed to be different classes of shares, only H shares are listed on the Exchange. We will:
- (a) amend the definition of “H shares” under Rule 19A.04 to refer to shares of a PRC issuer which are listed on the Exchange;
  - (b) remove the definitions of “domestic shares” (being shares issued by a PRC issuer in Renminbi), “foreign shares” (being shares issued by a PRC issuer in a currency other than Renminbi) and “overseas listed foreign shares” under Rules 1.01 and 19A.04 which are no longer necessary, and make corresponding amendments to Rule 19A.38A, Paragraph 54(7) of Rule 19A.42 and Paragraph 44(5) of Rule 19A.44; and
  - (c) remove Rule 13.26(2), which provides that a PRC issuer shall not apply for the listing of any foreign shares on a PRC stock exchange unless the Exchange is satisfied that the relative rights of the holders of overseas listed foreign shares are adequately protected. This requirement is unnecessary as all H shares of a PRC issuer must be listed on the Exchange and the rights of the holders of H shares and other shares, which are all ordinary shares, are substantively the same regardless of the locations where the relevant shares are listed.
43. In addition, Rules 8.08(1)(b) and 8.09(3)<sup>10</sup> set out the public float requirement and the market capitalisation requirement with reference to the “class of securities for which listing is sought”. Given the removal of the “separate classes” distinction between domestic shares and H shares, we will add Rules in Chapter 19A<sup>11</sup> to make it clear that the “class of securities for which listing is sought” refers to H shares in the case of a PRC issuer.

**(3) Arbitration clause and related requirements**

44. The Mandatory Provisions require a PRC issuer’s articles of association to state that disputes involving H shareholders and arising from the articles of association or the PRC Company Law shall be settled by arbitration in either Hong Kong or the PRC at the claimant’s election. This is in effect an agreement between the PRC issuer and its shareholders to resolve disputes through arbitration. An arbitration award made under

---

<sup>10</sup> There is no equivalent requirement for PRC issuers under the GEM Rules.

<sup>11</sup> Proposed Rules 19A.13A and 19A.13B



such agreement is enforceable in either Hong Kong or the Mainland<sup>12</sup>. Chapter 19A contains Rules that require the use of arbitration to settle disputes.

45. Following the repeal of the Mandatory Provisions, we will remove Rules 19A.52(2), 19A.54(3) and 19A.55(3) and Paragraph 65(e) of Rule 19A.42 which reflect the arbitration requirements.
46. We consider the arbitration requirements unnecessary. The arbitration clause under the Mandatory Provisions was introduced in 1993 when the equity securities market in the PRC was in an emergent stage of implementing the relevant legislation, including resolution of disputes under the PRC Company Law (enacted in December 1993). The PRC Company Law has now been implemented and applied for nearly 30 years.
47. The removal of the arbitration requirements will align with the Listing Rules applicable to overseas issuers which do not provide similar arbitration requirements.
48. After the removal, shareholders of a PRC issuer may enforce their rights under the articles of association in the same approach as shareholders of other overseas issuers. In particular, they may, as with shareholders of an overseas issuer, seek to enforce their rights through commencing legal proceedings in (i) a court of the issuer's place of incorporation or (ii) a Hong Kong court<sup>13</sup>.

#### **(4) Requirements relating to articles of association**

49. Following the repeal of the Mandatory Provisions, we will remove Appendix 13D (section 1) which requires PRC issuers' articles of association to include the Mandatory Provisions and the ancillary provisions. We will also amend Rules 9.11(20) and 13.51(1) to remove the references to Appendix 13.
50. Since 1 January 2022, the Rules were amended to require all issuers (including PRC issuers) to meet the Core Shareholder Protection Standards through the laws of the jurisdictions in which they are incorporated and/or their constitutional documents. Accordingly,

---

<sup>12</sup> Both jurisdictions are members of the New York Convention for the Recognition and Enforcement of Arbitral Awards and there are arrangements agreed between the Mainland and the HKSAR concerning mutual enforcement of arbitral awards.

<sup>13</sup> If there is an arrangement on reciprocal recognition and enforcement of judgments in place between Hong Kong and the issuer's place of incorporation (**Reciprocal Arrangement**), a shareholder who obtains a judgement from a Hong Kong court can directly apply to the court of the issuer's place of incorporation for enforcing the Hong Kong judgment (an example is Bermuda). If there is no Reciprocal Arrangement, the shareholder obtaining a Hong Kong court judgment may need to recommence proceedings in a court of the issuer's place of incorporation based on the Hong Kong court judgment, in order to obtain a court judgment in the place of incorporation to enforce their rights in that place of incorporation (an example is the Cayman Islands). Currently, between Hong Kong and the Mainland, there is no Reciprocal Arrangement in force for judgments dealing with disputes involving H shareholders and arising from a PRC issuer's articles of association or the PRC Company Law.

Appendices 13A and 13B which specified requirements to be included in Bermuda and Cayman Islands incorporated issuers' constitutional documents were removed<sup>14</sup>. The removal of Appendix 13D is consistent with this approach.

51. Appendix 13D (section 2) provides a list of matters to be included in listing documents which is applicable to both PRC issuers (Rule 19A.27(2)) and overseas issuers (Rule 19.10(2)). We will make a housekeeping Rule amendment to move the list of matters from Appendix 13D (section 2) to Appendix 1A (which governs disclosure in listing documents) and repeal Appendix 13D. We will also amend Rules 19A.27(2) and 19.10(2) and Note 2 to Rule 19.10(5)(a)(i) to reflect the rule change.

**(5) Other Rule amendments consequential on the repeal of the Special Regulations and the Mandatory Provisions**

52. We will also make consequential amendments to:
  - (a) Rules 19A.01 and 19A.02 to remove the description of the differences between PRC and Hong Kong legal systems and market practices and simplify the preamble of Chapter 19A;
  - (b) Rules 19A.39A and 19A.39B to align the timing requirement on PRC issuers to dispatch circulars and listing documents with other issuers (i.e. at the same time as (or before) the notice of the general meeting is given). Since 2019, the notice period for special general meetings of PRC issuers has been shortened from 45 days to 15 days<sup>15</sup>; and
  - (c) Rules 1.01, 13.51(1), 19A.04, 19A.52(1), 19A.53, 19A.54(1) and 19A.55(1) to remove the references to the Special Regulations and the Mandatory Provisions.

**B. Consequential Rule amendments to reflect the PRC new filing requirements for overseas listings of Mainland companies**

53. Rule 19A.22A requires a PRC new applicant to submit a copy of the CSRC's approval of the listing of the applicant on the Exchange. Paragraphs 54(2) and (4) of Rule 19A.42 require a PRC new applicant to disclose in its listing document the status of the CSRC's approval of any public or private issue of securities other than H shares.
54. As stated in paragraph 20 above, the New PRC Regulations introduce a new filing regime to replace the existing CSRC approval system. The new filing regime applies to both PRC issuers and overseas-incorporated issuers with principal operations in the Mainland.

---

<sup>14</sup> Consultation Conclusions on Listing Regime for Overseas Issuers of November 2021.

<sup>15</sup> FAQ 070-2019

55. Accordingly, we will repeal Rule 19A.22A while adding a Rule in Chapter 9<sup>16</sup> to require new applicants (whether incorporated in the PRC or other jurisdictions) to submit, at least four clear business days before the expected hearing date, a notification issued by the CSRC confirming their completion of the PRC filing procedures, where the new applicant's application for listing on the Exchange is required to be filed with the CSRC. We will also amend Paragraphs 54(2) and (4) of Rule 19A.42 to reflect the new filing requirements.

### **C. Implementation date**

56. As the Rule amendments are consequential to the changes in PRC regulations, a market consultation is not required.
57. The amended Rules are set out in Appendix II to this paper. They will become effective on a date to be announced, subject to the necessary regulatory approvals.
58. Under the New PRC Regulations, PRC issuers shall formulate their articles of association in line with the PRC Guidelines on AoA and the Mandatory Provisions will cease to apply. PRC issuers listed on the Exchange are bound by both the Listing Rules and the provisions in their articles of association. In other words, these PRC issuers must still adhere to their existing articles concerning class meetings for certain resolutions and other provisions required under the Mandatory Provisions where applicable, until they amend their articles of association<sup>17</sup>. They should also comply with the Listing Rules (or the amended Rules after the effective date of the Rule amendments) at all times.
59. Under the New PRC Regulations, new listing applicants incorporated in the PRC are expected to follow the PRC Guidelines on AoA in preparing their articles of association. The Exchange will allow these applicants to comply with the Rules taking into account the consequential amendments if they are listed on the Exchange during the period between the repeal of the Mandatory Provisions and the effective date of the Rule amendments.

---

<sup>16</sup> Proposed Rule 9.11(23b)

<sup>17</sup> In convening applicable shareholders' meetings to amend the articles of association, PRC issuers should provide adequate explanation to shareholders regarding the differences between the provisions of the existing articles of association and the proposed articles of association and any impact on measures relating to shareholder protection.

---

## CHAPTER 3: OTHER PROPOSED RULE AMENDMENTS

---

60. This chapter sets out our proposals to modify the Rules following the removal of the “separate classes” distinction between domestic shares and H shares. We have also reviewed Chapter 19A and propose to remove or modify certain requirements specific to PRC issuers which are no longer necessary. Our proposal aligns the requirements for PRC issuers under Chapter 19A with those for overseas issuers under Chapter 19 and is consistent with the Exchange’s objective of providing a consistent framework for the protection for investors of all issuers regardless of their places of incorporation.

### A. Proposals to modify Rules related to the “separate classes” of domestic shares and H shares

#### (1) Shareholders’ mandates for issuance of new shares

##### (i) Mandate limits on share issuance

61. Under the current Rules, a PRC issuer may seek prior approvals from shareholders (i) to issue securities of up to 20% of each of its issued domestic shares and H shares (the **general mandate**); and (ii) to issue securities in respect of options and awards granted under Chapter 17 share schemes of up to 10% of each of its issued domestic shares and H shares (the **scheme mandate**).

62. Given the removal of the class distinction between domestic shares and H shares and the corresponding class meeting requirement, we propose to amend Rule 19A.38<sup>18</sup> such that the general mandate and the scheme mandate would be subject to an overall cap of 20% and 10% respectively of a PRC issuer’s total issued shares. This aligns with the requirements applicable to non-PRC issuers dually listed on the Exchange and an overseas Exchange<sup>19</sup>.

63. The removal of the separate mandate limits for domestic and H shares means that a PRC issuer with both A shares and H shares could have more flexibility within the overall cap to decide how many H shares are to be issued under such a mandate. In addition, PRC issuers must also seek shareholders’ approval of A shares issuance under the general mandate under PRC listing requirements.

64. We consider it appropriate to remove separate mandate limits for domestic and H shares. The mandate limits are intended to protect shareholders’ from significant dilution of their equity interests without shareholders’

---

<sup>18</sup> No Rule amendment is required for the scheme mandate as Chapter 17 currently limits the scheme mandate to 10% of the “relevant class of shares of the listed issuer”, which would include domestic shares and H shares of a PRC issuer after the removal of the “separate classes” distinction.

<sup>19</sup> See paragraph 17(c) and footnote 2 above for the Listing Rules modifications currently required of non-PRC issuers dually listed on the Exchange and a PRC stock exchange relating to mandate limits. If the proposed Rule amendment is adopted, we would apply the same treatment to such issuers.

approval. Given domestic shares and H shares are the same class of shares, the dilution impact of an issuance of domestic shares or H shares is the same to shareholders and accordingly, the mandate limits should be referenced to the total issued shares of a PRC issuer.

*(ii) Potential reduction in size of the H share market relative to the A share market*

65. As A shares and H shares are traded on separate exchanges and not fungible, there is a possibility of the H share public float dropping to a low level (as a percentage of the total issued shares) if a PRC issuer chooses to issue new shares in the form of A shares only after listing.<sup>20</sup> However, given the fact that the number of H shares will not be affected, there should be sufficient H shares on the Exchange to allow trading in a fair and orderly manner. In any event, a PRC issuer is required to maintain, at all times, an open market in the H shares traded on the Exchange under the Listing Rules.<sup>21</sup>
66. While we acknowledge that the issuance of A or H shares is primarily a commercial decision driven by, among other things, public demand and pricing, we also consider that a reduction in the percentage of H shares (compared to the issuer's total issued shares) may reduce the relative liquidity and investors' interest in the H share market relative to the A share market, and consequently, affect the long term development of the H share market.

*(iii) Limits on issue price*

67. Under the current Rules, new share issuance for cash under the general mandate and the exercise price of share options under a share option scheme are benchmarked to the market price of H shares. Specifically, shares issued under a general mandate for cash are limited to a price discount of not more than 20% of the prevailing market price of H shares, and the exercise price of share options must not be lower than the prevailing market price of H shares.
68. For A+H issuers, the CSRC's rules<sup>22</sup> impose price limits on issuances of A shares benchmarked to the market price of A shares. Specifically, the issue price must be no less than (i) 80% of the A share market price (for a non-public issue) or (ii) the A share market price (for a public issue). The

---

<sup>20</sup> Such share issuance would change the relative proportion of shares listed on either exchange. For example, if all the 20% were to be issued in the form of A shares after listing, the actual number of H shares would remain unchanged while the proportion of H shares would decrease. As the public float is calculated by reference to both A and H shares held by the public, the A+H issuer will continue to meet the minimum public float Rules. On the other hand, if all the 20% were to be issued in the form of H shares after listing, there would be an increase in the number of H shares and the liquidity of the shares trading on the Exchange.

<sup>21</sup> Rule 8.08 requires that there must be an open market in the securities for which listing is sought.

<sup>22</sup> The Administrative Measures for the Registration of Securities Issuance by Listed Companies 《上市公司證券發行註冊管理辦法》 issued by the CSRC.

exercise price of options under a share option scheme must not be lower than the prevailing market price of A shares.

69. The purpose of the share price limit is to limit the dilution impact to shareholders from a share issuance. We will retain the Rules to benchmark the share price limits to the H share market price. Where appropriate, we will consider, on a case by case basis, a request for the issue of A shares under a general mandate to be benchmarked to the market price of A shares. This is consistent with our current Rule 19A.39C where the Exchange may allow the exercise price of options under a share option scheme to be benchmarked to the prevailing A share market price.

**Question 1:** *Do you agree with the proposal to set the limit on general mandate for issuance of new shares at 20% of the total issued shares of a PRC issuer, instead of 20% of each of domestic shares and H shares? Please provide reasons for your views.*

**Question 2:** *Do you have a concern that given fund raisings through the issuance of A shares may result in an increase in the number of A shares over H shares, the market size and liquidity of the H share market may reduce relative to the A share market? Do you think there should be other provisions to promote the long term development of the H share market, if so please provide reasons for your views and any suggestions.*

**Question 3:** *Do you agree with the proposal to set the limit on scheme mandate for share schemes at 10% of the total issued shares of a PRC issuer, instead of 10% of each of domestic shares and H shares? Please provide reasons for your views.*

## **(2) Retain Rules with specific requirements for H shares**

70. For A+H issuers, their shares traded on the Exchange and the PRC exchange are not fungible as A and H shares cannot be transferred between exchanges. Accordingly, certain Rules govern H shares trading on the Exchange only and we will retain these Rules, subject to minor modifications:
- (a) Rule 19A.25(3) governing the repurchase of H shares on the Exchange;
  - (b) Rule 19A.17 requiring a PRC issuer to obtain the Exchange's listing approval for the trading of H shares on the Exchange. We will make drafting amendments to clarify the Rule;

- (c) Rule 19A.12 requiring H shareholders' approval for a withdrawal of listing on the Exchange under Rules 6.11, 6.12, 6.15 and 6.16;
- (d) Rule 19A.38A allowing an A+H issuer to calculate its market capitalisation for the purpose of the percentage ratios under Chapters 14 and 14A based on the prevailing market prices of A and H shares in issue; and
- (e) Rule 8.08 allowing an A+H issuer to calculate its public float with reference to both A and H shares held by the public, with modifications set out in paragraph 43 above.

**B. Proposals to remove or modify other requirements in Chapter 19A which are no longer necessary**

71. We have reviewed other requirements applicable to PRC issuers only in Chapter 19A which were primarily introduced in 1993, and intended to provide additional H shareholder protection in view of then prevailing circumstances. We propose to remove or modify these requirements (discussed in parts (1) to (4) below) and apply a consistent framework for the protection for investors of all issuers regardless of their places of incorporation.

**(1) Undertakings by directors, officers and supervisors to the PRC issuers and their shareholders**

72. Rules 19A.54(1) and (2) and 19A.55(1) and (2) require a PRC issuer to enter into a contract with every director, officer and supervisor to provide:

- (a) an undertaking to the PRC issuer to observe and comply with the PRC Company Law, the Special Regulations, the articles of association, the Takeovers Code and Share Buy-backs Code and an agreement that the PRC issuer shall have the remedies provided in the articles of association and that neither the contract nor his office is capable of assignment; and
- (b) an undertaking to the PRC issuer acting as an agent for each shareholder to observe and comply with his obligations to shareholders stipulated in the articles of association.

73. Rule 19A.52(4), Paragraph 62 of Rule 19A.42 and Paragraph 47 of Rule 19A.44 require a PRC issuer to include in its listing documents and share certificates a statement that the acquirer of its shares authorises the issuer to enter into a contract on his behalf with each director and officer in respect of the undertakings described above.

74. The undertakings were introduced in 1993 to give a PRC issuer and its shareholders a contractual right to require the directors, supervisors and officers to comply with the relevant provisions, laws and regulations and seek remedies for non-compliance.

75. We propose to remove the undertaking requirements. We consider such requirements unnecessary because a PRC issuer may, under the PRC Company Law, enforce against the directors, supervisors and officers for their compliance with the PRC Company Law and the articles of association and seek compensation for non-compliance. For shareholders of a PRC issuer, they may, under the PRC issuer's articles of association<sup>23</sup>, enforce against the directors, supervisors and officers for their compliance with the articles of association and seek remedies for non-compliance.
76. Our proposal will not undermine the interests of PRC issuers and their shareholders. It will also align the Listing Rules applicable to overseas issuers which do not provide similar undertaking requirements.

**Question 4: Do you agree with the proposal to remove the requirements for directors, officers and supervisors to provide undertakings to the PRC issuers and their shareholders? Please provide reasons for your views.**

## **(2) Sponsors and compliance advisers**

77. Chapter 3A sets out the obligations of sponsors and compliance advisers applicable to all issuers (including PRC issuers).
78. Chapter 19A sets out requirements on sponsors and compliance advisers applicable to PRC issuers. These requirements predate Chapter 3A and contain minor differences. We propose to modify Chapters 3A and 19A to apply the same requirements to all issuers:
- (a) Rules 19A.05(2) and 19A.06(3) require (i) a PRC issuer to provide access to its compliance adviser at all times and assist the compliance adviser in performing its duties as set out in the Rules; and (ii) the compliance adviser to inform the PRC issuer on a timely basis of any amendment or supplement to the Rules or any new or amended laws and regulations in Hong Kong applicable to the issuer.

We propose to move the requirements from Chapter 19A to Chapter 3A by adding explanatory notes to Rules 3A.23 and 3A.24(1). In practice non-PRC issuers and their compliance advisers should have similar measures to discharge their obligations under Chapter 3A.

- (b) Rules 19A.05(3), 19A.05(4), 19A.06(1) and 19A.06(4)<sup>24</sup> (i) require sponsors to be satisfied that a PRC issuer is suitable for listing and

<sup>23</sup> Such right is provided under the PRC Guidelines on AoA, which the PRC issuers are expected to follow.

<sup>24</sup> There are no equivalent requirements for PRC issuers under the GEM Rules.



its directors understand what is required of them under the Rules and applicable laws; and (ii) impose additional roles on the compliance advisers engaged by a PRC issuer.

We propose to remove these Rules in Chapter 19A as Chapter 3A contains similar requirements<sup>25</sup>, and make consequential amendment to Rule 19A.15.

**Question 5: Do you agree with the proposal to move the requirements for compliance advisers set out in Rules 19A.05(2) and 19A.06(3) to Chapter 3A? Please provide reasons for your views.**

**Question 6: Do you agree with the proposal to remove Rules 19A.05(3), 19A.05(4), 19A.06(1) and 19A.06(4)? Please provide reasons for your views.**

### **(3) Online display and physical inspection of documents**

79. Rules 19A.50 and 19A.50A require a PRC issuer to:

- (a) publish on the Exchange's website and its own website (i) a report showing the state of the issued share capital; (ii) the audited financial statements and the directors', auditors' and supervisors' reports; (iii) special resolutions; (iv) securities repurchase reports; and (v) annual returns; and
- (b) make available copies of (i) a complete duplicate register of shareholders; and (ii) the minutes of shareholder meetings at a place in Hong Kong.

80. We propose to remove Rule 19A.50 as the documents concerned are either required to be published online under other Rules<sup>26</sup> or otherwise readily available in the public domain<sup>27</sup>.

81. We also propose to remove Rule 19A.50A as all listed issuers are required to (i) open their branch register of members in Hong Kong for inspection as one of the Core Shareholder Protection Standard under Appendix 3 to the Rules; and (ii) announce the necessary information about the results of their shareholder meetings under Rule 13.39(5).

**Question 7: Do you agree with the proposal to remove the requirements relating to online display and physical**

<sup>25</sup> Rules 3A.11, 3A.22, 3A.24, 3A.27 and 3A.29

<sup>26</sup> Appendix 16, Paragraph 20 of Appendix 3 and Rule 13.39(5)

<sup>27</sup> The latest annual return of a PRC issuer can be located in the website of the National Enterprise Credit Information Publicity System.

***inspection of documents under Rules 19A.50 and 19A.50A? Please provide reasons for your views.***

**(4) Listing document requirements for new applicants**

82. Paragraphs 63 to 65 of Rule 19A.42 set out additional content requirements for listing documents of new applicants that are PRC issuers. They include (i) a warning statement with regard to the differences in the legal system and regulatory framework between the PRC and Hong Kong; (ii) a discussion of risk factors relating to PRC laws and regulations, political and economic environments, foreign exchange risks and controls, etc.; and (iii) a description of material differences between company law in the PRC and Hong Kong<sup>28</sup>.
83. We propose to remove these Rule requirements as new applicants should assess and highlight material matters and specific risk factors that are relevant to their particular circumstances.

***Question 8: Do you agree with the proposal to remove the requirements relating to disclosure of material differences between the laws and regulations in the PRC and Hong Kong in listing documents of new applicants that are PRC issuers? Please provide reasons for your views.***

**(5) Specific requirements for PRC issuers**

84. We will retain the Rules that reflect specific PRC legal requirements or practices applicable to PRC issuers. They include:
- (a) Rules 19A.07A, 19A.07B and 19A.18(2) which require supervisors of PRC issuers appointed under the PRC Company Law to be subject to standards similar to those applicable to directors and provide similar undertakings as directors to the Exchange;
  - (b) Rules 19A.08 and 19A.31 which reflect the mutual recognition agreement between the Mainland and Hong Kong in 2009 for the mutual recognition of qualified auditors from either jurisdiction to act as auditors of corporations incorporated in the home jurisdiction and listed in the other jurisdiction, and the adoption of China Accounting Standards for Business Enterprises for the preparation of financial statements;

---

<sup>28</sup> In addition, Paragraph 2 of Appendix 11C (section 2) to the GEM Rules requires a new applicant that is a PRC issuer to submit a confirmation from its legal advisers that its listing document sets out the material differences between Hong Kong law and applicable PRC law. There is no equivalent requirement for PRC issuers under the Main Board Rules.

- (c) Rule 19A.13 which requires a PRC issuer to maintain a separate branch register for H shares in Hong Kong;
  - (d) Rule 19A.29A which requires a PRC issuer to send annual reports by mail or electronic means in accordance with Rule 2.07A to H shareholders. This aligns the requirements for communication with H shareholders with those applicable to non-PRC issuers; and
  - (e) Rule 19A.51 which requires a PRC issuer to appoint receiving agents in Hong Kong for payment of dividends to holders of securities listed on the Exchange. This facilitates the holding of H shares by foreign investors and addresses issues arising from PRC foreign exchange restrictions.
85. Rule 19A.18(1) requires a PRC issuer to have at least one of its independent non-executive directors ordinarily residing in Hong Kong<sup>29</sup>. We have considered whether to remove this requirement given that there are ready means of communication with personnel residing outside Hong Kong nowadays. However, there are views that it is important to maintain this provision in the Rules to assist regulators' access to issuers and their directors to facilitate regulatory actions. We will therefore retain the requirement.

---

<sup>29</sup> There is no equivalent requirement for PRC issuers under the GEM Rules.

---

## **CHAPTER 4: HOUSEKEEPING RULE AMENDMENTS**

---

86. We will make housekeeping Rule amendments to:
- (a) remove some provisions which overlap with other Rule requirements. Further details are set out in Appendix I;
  - (b) update Paragraphs 54(5) and 55(2) of Rule 19A.42 and Paragraph 44(3) of Rule 19A.44 by removing the outdated references to “the Securities Trading Automated Quotation System” as this trading system has ceased to operate;
  - (c) rectify incorrect rule references under Rule 19A.21(2) by replacing “forms of confirmation and undertaking to be lodged under rules 9.11(3a) and 9.11(3b)” with “declaration and undertaking to be lodged under rule 9.11(38)”; and
  - (d) update Rule 13.78 by adding “(or supervisorship where applicable)” to ensure consistency within the Rule.

## APPENDIX I: PROPOSED HOUSEKEEPING RULE AMENDMENTS

No.	Requirements to be repealed		Overlapping rule requirements	
1	Rule 19A.03	<p>The Exchange will consider an application by a PRC issuer for listing on the Exchange under this Chapter only if:—</p> <p>(1) it is duly incorporated in the PRC as a joint stock limited company (股份有限公司);</p> <p>(2) the Exchange is satisfied that there are adequate communication and cooperation arrangements in place between the Exchange and the relevant securities regulatory authorities in the PRC;</p> <p>(3) in the case of a PRC issuer having equity securities listed or to be listed on another stock exchange, the Exchange is satisfied that there is adequate communication arrangement in place between the Exchange and such other stock exchange authority; and</p> <p>(4) the Exchange is satisfied that applicable PRC law and the articles of association of the PRC issuer provide a sufficient level of shareholder protection to holders of H shares.</p>	Rules 8.02, 8.02A and Appendix 3	We propose to repeal these requirements which duplicate, or are superseded by, Rules 8.02, 8.02A and Appendix 3.
2	Rule 19A.07  (Note 1)	<p>If the authorised representatives of a PRC issuer are expected to be frequently outside Hong Kong, then they or their alternates (who must be authorised to speak on behalf of the PRC issuer) appointed under rule 3.06(2) must be readily contactable by the Exchange at the home and office telephone numbers and where available, facsimile numbers, provided by them to the Exchange.</p>	Rule 3.06(2)	We propose to repeal this requirement and rely upon Rule 3.06(2), which contains the same requirement.
3	Rule 19A.19	<p>In addition to the requirement of rule 19A.14, the Exchange may from time to time determine that certain persons or entities should be treated as connected persons of a PRC issuer for purposes of the connected transaction provisions of Chapter 14A.</p>	Rule 14A.19	We propose to repeal this requirement and rely upon Rule 14A.19, which provides that the Exchange has the power to deem any person to be a connected person.

No.	Requirements to be repealed	Overlapping rule requirements	
4	<p>Rule 19A.26</p> <p>(Note 1)</p>	<p>Attention is particularly drawn to:</p> <p>(1) the requirement to include a statement of responsibility (see rule 11.12);</p> <p>(2) the fact that the Exchange may require disclosure of such additional or alternative items of information as it considers appropriate in any particular case (see rule 11.11); and</p> <p>(3) the requirement to include a summary of the provisions of the constitutive documents of the PRC issuer and the relevant PRC law in the listing document (see rules 19A.27(2) and (3) and 19A.27A).</p>	<p>Rules 11.12, 11.11, 19A.27(2) and (3) and 19A.27A</p> <p>Rule 19A.26 is a recap of listing document disclosure requirements under Rules 11.12, 11.11, 19A.27(2) and (3) and 19A.27A. We propose to repeal Rule 19A.26, which is redundant.</p>
5	<p>Rules 19A.28 and 19A.29</p>	<p>Whilst Chapter 13 and Appendix 16 apply equally to PRC issuers, the Exchange may be prepared to agree to such modifications as it considers appropriate in a particular case.</p> <p>Conversely, the Exchange may impose additional requirements in a particular case (see, for example, rule 19A.19). The additional requirements currently imposed by the Exchange in respect of PRC issuers are set out in Part D of Appendix 13. The Exchange may add to, waive, modify or not require compliance with, the requirements of Chapter 13 and Appendix 16, on a case by case basis in its absolute discretion.</p>	<p>Rule 19A.02A</p> <p>We propose to repeal these requirements and rely upon Rule 19A.02A, which provides that the Exchange may exercise its power under rule 2.04 to waive, modify or not require compliance with an Exchange Listing Rule for a PRC issuer with, or seeking, a listing under this chapter on a case by case basis.</p>
6	<p>Rule 19A.36</p> <p>(Note 1)</p>	<p>If the PRC issuer's primary listing is or is to be on another stock exchange, an auditors' report which conforms to the requirements of the International Standards on Auditing or China Auditing Standards is acceptable.</p>	<p>Rule 19A.32</p> <p>There is no equivalent rule in Chapter 19 for overseas issuers. We propose to repeal this requirement and rely upon Rule 19A.32, which provides that the accounts must be audited to a standard comparable to that required in Hong Kong or under International Standards on Auditing or China Auditing Standards.</p>
7	<p>Rule 19A.39</p>	<p>References in Chapter 14 to an issuer's "accounts" shall mean, in the case of a PRC issuer, the latest published audited accounts or consolidated accounts of such issuer which have been prepared in accordance with Hong Kong Financial Reporting Standards, International Financial Reporting Standards or China Accounting Standards for Business Enterprises as provided for in rule 19A.10 or rule 19A.31, as the case may be.</p>	<p>Paragraph 2 of Appendix 16</p> <p>We propose to repeal this requirement and rely upon Paragraph 2 of Appendix 16, which provides that annual accounts of a PRC issuer must be prepared in accordance with Hong Kong Financial Reporting Standards, International Financial Reporting Standards or China Accounting Standards for Business Enterprises.</p>
8	<p>Rule 19A.40</p> <p>(Note 1)</p>	<p>Details of the initial listing fee, annual listing fee, subsequent issue fee and other charges together with details of the brokerage charge, levies and trading fees on new issues are set out in Appendix 8.</p>	<p>Appendix 8</p> <p>We propose to repeal Rule 19A.40, which is redundant.</p>

No.	Requirements to be repealed	Overlapping rule requirements	
9	Paragraph 59 of Rule 19A.42	<p>Part A of Appendix 1 is further supplemented by adding below paragraph 53 thereof, but before the Notes thereto, the following new caption heading and new paragraphs 54 to 65:</p> <p>...</p> <p>59. A statement of whether or not the PRC issuer has applied or intends to apply for the status of a sino-foreign investment joint stock limited company (中外合資股份有限公司) and whether or not the PRC issuer is or expects to be subject to the PRC Sino-Foreign Joint Venture Law (中外合資經營企業法).</p> <p>...</p>	<p>Rule 8.02</p> <p>We propose to repeal this requirement as the PRC Sino-Foreign Joint Venture Law (中外合資經營企業法) was abolished on 1 January 2020. Under Rule 8.02, an issuer must be duly incorporated or otherwise established under the laws of the place where it is incorporated or otherwise established.</p>
10	Rule 19A.45	<p>A PRC issuer shall not at any time permit or cause any amendment to be made to its articles of association which would cause the same to cease to comply with the provisions of Appendix 3 or Section 1 of Part D of Appendix 13.</p>	<p>Note 2 to Rule 13.51(1)</p> <p>We propose to repeal this requirement and rely upon Note 2 to Rule 13.51(1), which contains the same requirement.</p>
11	Rules 19A.52(1) and 19A.53	<p>A PRC issuer shall ensure that all its listing documents and share certificates include the statements stipulated below and shall instruct and cause each of its share registrars not to register the subscription, purchase or transfer of any of its shares in the name of any particular holder unless and until such holder delivers to such share registrar a signed form in respect of such shares bearing statements to the following effect:—</p> <p>(1) The acquirer of shares agrees with the PRC issuer and each shareholder of the PRC issuer, and the PRC issuer agrees with each shareholder, to observe and comply with the Company Law and the articles of association of the PRC issuer.</p> <p>A PRC issuer shall observe and comply with the Company Law and the PRC Issuer's articles of association.</p>	<p>Rule 8.02</p> <p>There is no equivalent requirement for overseas issuers and the acquirers of shares of overseas issuers under Chapter 19. We propose to repeal these requirements and rely upon Rule 8.02, which provides that an issuer must be duly incorporated or otherwise established under the laws of the place where it is incorporated or otherwise established and must be in conformity with those laws and its memorandum and articles of association or equivalent documents.</p>

No.	Requirements to be repealed		Overlapping rule requirements	
12	Rule 19A.52(3)	A PRC issuer shall ensure that all its listing documents and share certificates include the statements stipulated below and shall instruct and cause each of its share registrars not to register the subscription, purchase or transfer of any of its shares in the name of any particular holder unless and until such holder delivers to such share registrar a signed form in respect of such shares bearing statements to the following effect:— (3) The acquirer of shares agrees with the PRC issuer and each shareholder of the PRC issuer that shares in the PRC issuer are freely transferable by the holder thereof.	Rule 8.13	We propose to repeal this requirement and rely upon Rule 8.13, which provides that the securities for which listing is sought must be freely transferable.
13	Rule 19A.56	All notices or other documents required under Chapter 13 to be sent by a PRC issuer to the Exchange shall be in the English language, or accompanied by a certified English translation.	Rule 19A.57	We propose to repeal this requirement and rely upon Rule 19A.57, which contains the same requirement.
14	Rule 13.31(2)  (Note 1)	A PRC issuer shall not issue any redeemable shares unless the Exchange is satisfied that the relative rights of the holders of overseas listed foreign shares are adequately protected.	Rules 13.36, 10.06, 13.25A and 13.31	There is no equivalent requirement for overseas issuers under Chapter 19. We propose to repeal this requirement and rely upon Rules 13.36 and 10.06, which govern the issuance and repurchase of shares by an issuer and Rules 13.25A and 13.31(1) for the disclosure of any repurchase or redemption of shares by the issuers.
15	Paragraph 2 of Appendix 11C (section 2) to the GEM Rules  (Note 2)	The Exchange will require the formal application for listing to be accompanied by a copy of a letter to the PRC issuer from the PRC issuer's Hong Kong legal advisers confirming that they have reviewed the summaries of the relevant PRC law and the constitutive documents and that in their opinion, on the basis of the legal advice received from qualified PRC lawyers, the listing document sets out the material differences between Hong Kong law and applicable PRC law.  The letter should also confirm that the constitutive documents contain provisions complying with the provisions of the GEM Rules.	GEM Rule 12.22(2)	We propose to repeal this requirement for the reason set out in paragraph 83.  We propose to repeal this requirement as GEM Rule 12.22(2) already requires a new applicant to submit a confirmation from its legal advisers that its articles of association (i) conform to the relevant parts of Appendix 3 and (for overseas issuers) the related guidance materials, and (ii) on the whole, are not inconsistent with the GEM Rules and the laws of the place where the new applicant is incorporated or otherwise established.

Note 1: There is no equivalent requirement for PRC issuers under the GEM Rules.

Note 2: There is no equivalent requirement for PRC issuers under the Main Board Rules.



---

## APPENDIX II: DRAFT AMENDMENTS TO THE LISTING RULES

---

### A. Draft Amendments to the Main Board Rules

#### Chapter 1

#### GENERAL

#### INTERPRETATION

...

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

...

~~“domestic shares”~~ the same meaning as in rule 19A.04

Chapter 2 -  
Part A(2)

...

~~“foreign shares”~~ the same meaning as in rule 19A.04

Chapter 2 -  
Part A(2)

...

~~“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

Chapter 2 -  
Part A(5)

...

~~“overseas listed foreign shares”~~ the same meaning as in rule 19A.04

Chapter 2 -  
Part A(2)

...

~~“Regulations”~~ the same meanings as in rule 19A.04

Chapter 2 -  
Part A(5)

...

...

#### Chapter 3A

#### GENERAL

## SPONSORS AND COMPLIANCE ADVISERS

...

3A.23 During the Fixed Period, a listed issuer must consult with and, if necessary, seek advice from its Compliance Adviser on a timely basis in the following circumstances:

- (1) before the publication of any regulatory announcement, circular or financial report;
- (2) where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues and share repurchases;
- (3) where the listed issuer proposes to use the proceeds of the initial public offering in a manner different from that detailed in the listing document or where the business activities, developments or results of the listed issuer deviate from any forecast, estimate, or other information in the listing document; and
- (4) where the Exchange makes an inquiry of the listed issuer under rule 13.10.

Note: The listed issuer must ensure that the Compliance Adviser has access at all times to its directors, authorised representatives and other officers and should procure that such persons provide promptly to the Compliance Adviser such information and assistance as the Compliance Adviser may need or may reasonably request in connection with the performance of the Compliance Adviser's duties as set out in this chapter. The listed issuer must also ensure that there are adequate and efficient means of communications between itself, its directors, authorised representatives and other officers and the Compliance Adviser and should keep the Compliance Adviser fully informed of all communications and dealings between it and the Exchange.

Chapter 3 –  
Part B(2)

3A.24 When a Compliance Adviser is consulted by a listed issuer in the circumstances set out in rule 3A.23 above it must discharge the following responsibilities with due care and skill:

- (1) ensure the listed issuer is properly guided and advised as to compliance with the Exchange Listing Rules and all other applicable laws, rules, codes and guidelines;

Note: The Compliance Adviser must inform the listed issuer on a timely basis of any amendment or supplement to the Exchange Listing Rules and any new or amended laws and regulations in Hong Kong applicable to such issuer.

Chapter 3 –  
Part B(2)

...

...

## Chapter 9

### EQUITY SECURITIES

#### APPLICATION PROCEDURES AND REQUIREMENTS

...

9.11 The following documents must be lodged with the Exchange by a new applicant in connection with its listing application:-

...

**At least 4 clear business days before the expected hearing date**

...

(20) a confirmation from the new applicant's legal advisers that the new applicant's articles of association (i) conform with the relevant parts of Appendix 3 and (for overseas issuers) the related guidance materials, ~~and (where applicable) Appendix 13,~~ and (ii) on the whole, are not inconsistent with the Exchange Listing Rules and the laws of the place where the new applicant is incorporated or otherwise established;

Chapter 2 -  
Part A(4)

...

(23b) where the new applicant's application for listing on the Exchange is required to be filed with the China Securities Regulatory Commission in the PRC, a copy of the notification issued by the China Securities Regulatory Commission on the new applicant's completion of the PRC filing procedures.

Chapter 2 -  
Part B

...

## Chapter 13

### EQUITY SECURITIES

### CONTINUING OBLIGATIONS

...

#### Subsequent listing

13.26 ...

(2) ~~[Repealed ●] A PRC issuer shall not apply for the listing of any of its foreign shares on a PRC stock exchange unless the Exchange is satisfied that the relative rights of the holders of overseas listed foreign shares are adequately protected.~~

Chapter 2 -  
Part A(2)

...

#### Purchase of securities

13.31 ...

- (2) ~~[Repealed ●] A PRC issuer shall not issue any redeemable shares unless the Exchange is satisfied that the relative rights of the holders of overseas listed foreign shares are adequately protected.~~

Chapter 4

...

...

### Pre-emptive rights

- 13.36 (1) (a) Except in the circumstances mentioned in rule 13.36(2), the directors of the issuer ~~(other than a PRC issuer, to which the provisions of rule 19A.38 apply)~~ shall obtain the consent of shareholders in general meeting prior to allotting, issuing or granting:—

Chapter 2 -  
Part A(1)

- (i) shares;
- (ii) securities convertible into shares; or
- (iii) options, warrants or similar rights to subscribe for any shares or such convertible securities.

Note: Importance is attached to the principle that a shareholder should be able to protect his proportion of the total equity by having the opportunity to subscribe for any new issue of equity securities. Accordingly, unless shareholders otherwise permit, all issues of equity securities by the issuer must be offered to the existing shareholders (and, where appropriate, to holders of other equity securities of the issuer entitled to be offered them) pro rata to their existing holdings, and only to the extent that the securities offered are not taken up by such persons may they be allotted or issued to other persons or otherwise than pro rata to their existing holdings. This principle may be waived by the shareholders themselves on a general basis, but only within the limits of rules 13.36(2) and (3).

- (b) Notwithstanding rule 13.36(2)(b), the directors of the issuer ~~(other than a PRC issuer, to which the provisions of rule 19A.38 apply)~~ shall obtain the consent of the shareholders in general meeting prior to allotting any voting shares if such allotment would effectively alter the control of the issuer.

Chapter 2 -  
Part A(1)

...

...

## NOTIFICATION

### Changes

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

- (1) any proposed alteration of the issuer's memorandum or articles of association or equivalent documents, ~~and in the case of a PRC issuer, any proposed request by the PRC issuer to a PRC competent authority to waive or otherwise modify~~

Chapter 2 -  
Part A(5)

any provision of the Regulations.

...

Notes: 1. Changes to the relevant parts of the articles of association or equivalent documents must conform with the requirements of Appendix 3 ~~and, if relevant, Appendix 13.~~

Chapter 2 -  
Part A(4)

...

...

13.78 If and when requested by the Exchange, an issuer shall use its best endeavours to assist the Exchange to locate the whereabouts of any director (or, in the case of a PRC issuer, supervisor) who has since resigned from his directorship (or supervisorship where applicable) in the issuer.

Chapter 4

...

## Chapter 19

### EQUITY SECURITIES

### OVERSEAS ISSUERS

...

19.10 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 protection and directors' powers (using, and covering at the least, the same subject headings as required under the attachment to Part A of Appendix 1);

Chapter 2 -  
Part A(4)

*Note: An overseas issuer can refer to Section 2 of Appendix 13 Part D (The People's Republic of China) for guidance on the subject headings that should be used to provide this summary.*

...

(5) for an introduction in the circumstances in rule 7.14(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:

(i) without in any way limiting the scope of the summary required by rule 19.10(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;

Notes:

...

2. ~~[Repealed ●] An overseas issuer can refer to Section 2 of Appendix 13 Part D (The People's Republic of China) for guidance on the format that should be used to provide this comparison.~~

Chapter 2 -  
Part A(4)

...

...

## Chapter 19A

### EQUITY SECURITIES

#### ISSUERS INCORPORATED IN THE PEOPLE'S REPUBLIC OF CHINA

##### Preliminary

19A.01 ~~[Repealed ●]~~

Chapter 2 -  
Part A(5)

- (1) ~~In general, overseas issuers incorporated in the common law jurisdictions of Bermuda and Cayman Islands may list on the Exchange provided that certain additional requirements set out or referred to in Chapter 19 are fulfilled. However, the legal system in the PRC is not based on a common law system. Furthermore, existing PRC law imposes various restrictions affecting the use of foreign exchange in the PRC and its remittance out of the PRC. Under current PRC law only PRC citizens and legal persons are permitted to own the domestic shares (內資股) of a PRC issuer (which pay dividends in Renminbi), and only foreign investors and investors from the regions of Hong Kong, Macau and Taiwan are permitted to own the overseas listed foreign shares (境外上市外資股) of a PRC issuer (which pay dividends in a foreign currency). As a result, although under PRC law such domestic shares and foreign shares are all shares of a PRC issuer, the two kinds of shares in effect operate in separate markets subject to different investor demands.~~
- (2) ~~To deal with the different markets in which a PRC issuer's shares may be traded as well as with the non common law basis of the PRC legal system, certain additional requirements, modifications and exceptions to the Exchange Listing Rules are necessary in order for a PRC issuer to obtain and to maintain a listing of its securities on the Exchange.~~
- (3) ~~The purpose of this Chapter is to clarify that the Exchange Listing Rules apply as much to PRC issuers as they do to Hong Kong and overseas issuers, subject to the additional requirements, modifications and exceptions set out or referred to in this Chapter. Among such requirements are that (a) PRC issuers are expected to present their annual accounts in accordance with HKFRS, IFRS or CASBE; (b) the articles of association of PRC issuers must contain provisions which will~~

~~reflect the different nature of domestic shares and overseas listed foreign shares (including H shares) and the different rights of their respective holders; and (c) disputes involving holders of H shares and arising from a PRC issuer's articles of association, or from any rights or obligations conferred or imposed by the Company Law and any other relevant laws and regulations concerning the affairs of the PRC issuer, are to be settled by arbitration in either Hong Kong or the PRC at the election of the claimant.~~

~~(4) However, if changes in PRC law or market practices materially alter the validity or accuracy of any of the foregoing statements, then the Exchange may impose additional requirements or make listing of the equity securities of a PRC issuer subject to special conditions as the Exchange considers appropriate. Whether or not any such changes in PRC law or market practices occur, the Exchange retains its general power to impose additional requirements and make special conditions under rule 2.04.~~

19A.02 The Exchange Listing Rules apply as much to PRC issuers as they do to Hong Kong issuers. This Chapter sets out the additional requirements, modifications and exceptions which apply to PRC issuers seeking or maintaining a primary listing on the Exchange. Rules 19.01 to 19.61 (inclusive) do not apply in the case of such PRC issuers.

Chapter 2 -  
Part A(5)

...

19A.03 ~~[Repealed ●] The Exchange will consider an application by a PRC issuer for listing on the Exchange under this Chapter only if:—~~

Chapter 4

~~(1) it is duly incorporated in the PRC as a joint stock limited company (股份有限公司);~~

~~(2) the Exchange is satisfied that there are adequate communication and cooperation arrangements in place between the Exchange and the relevant securities regulatory authorities in the PRC;~~

~~(3) in the case of a PRC issuer having equity securities listed or to be listed on another stock exchange, the Exchange is satisfied that there is adequate communication arrangement in place between the Exchange and such other stock exchange authority; and~~

~~(4) the Exchange is satisfied that applicable PRC law and the articles of association of the PRC issuer provide a sufficient level of shareholder protection to holders of H shares.~~

### Definitions and Interpretation

19A.04 The following terms, save where the context otherwise requires, have the following meanings:—

...

**“domestic shares”**

~~shares issued by a PRC issuer under PRC law, the par value of which is denominated in Renminbi, and which are subscribed for in Renminbi~~

Chapter 2 –  
Part A(2)

<b><del>“foreign shares”</del></b>	<del>shares issued by a PRC issuer under PRC law, the par value of which is denominated in Renminbi, and which are subscribed for in a currency other than Renminbi</del>	Chapter 2 – Part A(2)
<b><del>“H shares”</del></b>	<del>overseas listed foreign shares of a PRC issuer which are listed on the Exchange</del>	Chapter 2 – Part A(2)
...		
<b><del>“overseas listed foreign shares”</del></b>	<del>foreign shares which are listed outside the PRC</del>	Chapter 2 – Part A(2)
...		
<b><del>“Regulations”</del></b>	<del>the Special Regulations on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (國務院關於股份有限公司境外募集股份及上市的特別規定) issued by the State Council of the PRC on 4 August 1994, as amended, supplemented or otherwise modified from time to time</del>	Chapter 2 - Part A(5)
...		

### **~~Chapter 3A — Sponsors and Compliance Advisers~~**

19A.05	<del><u>[Repealed ●]</u></del>	Chapter 3 - Part B(2)
	<del>(1) [Repealed 1 January 2005]</del>	
	<del>(2) The PRC issuer should ensure that the Compliance Adviser retained by it has access at all times to its authorised representatives, directors and other officers and should procure that such persons provide promptly to the Compliance Adviser such information and assistance as the Compliance Adviser may need or may reasonably request in connection with the performance of the Compliance Adviser’s duties as set out in Chapter 3A and rule 19A.06. The PRC issuer should also ensure that there are adequate and efficient means of communication between itself, its authorised representatives, directors and other officers and the Compliance Adviser and should keep the Compliance Adviser fully informed of all communications and dealings between it and the Exchange.</del>	
	<del>(3) Rules 3A.26 and 3A.27 are modified so as to:</del>	
	<del>(a) require that the PRC issuer not terminate the role of a Compliance Adviser until the PRC issuer has appointed a replacement Compliance Adviser;</del>	
	<del>(b) require that during the Fixed Period the PRC issuer and the Compliance Adviser immediately notify the Exchange of termination or resignation of the Compliance Adviser, in each case stating the reason for termination or resignation, as applicable; and</del>	
	<del>(c) require that the PRC issuer and the new Compliance Adviser immediately notify the Exchange of the new Compliance Adviser’s appointment.</del>	



~~(4) If the Exchange is not satisfied that the sponsor or Compliance Adviser is fulfilling its responsibilities under Chapter 3A and rule 19A.06 adequately, the Exchange may require the PRC issuer to terminate the sponsor's or Compliance Adviser's appointment and appoint a replacement as soon as possible. The PRC issuer and the new sponsor or Compliance Adviser should immediately notify the Exchange of the new sponsor's or Compliance Adviser's appointment.~~

19A.06 ~~[Repealed ●] In addition to the responsibilities of sponsors and Compliance Advisers set out in Chapter 3A of the Exchange Listing Rules:~~

Chapter 3 -  
Part B(2)

~~(1) given the particular importance attached to the sponsor's role, the sponsor, in sponsoring a PRC issuer for listing, has a particular responsibility to satisfy himself, on all available information, that the PRC issuer is suitable to be listed and that its directors and supervisors appreciate the nature of their responsibilities and can be expected to honour their obligations under their directors' or supervisors' undertakings, the Exchange Listing Rules and under applicable PRC law and regulations. In particular, the sponsor must be satisfied that the directors of the PRC issuer understand what is required of them under the Exchange Listing Rules and applicable laws and regulations;~~

~~(2) [Repealed 2 November 2009]~~

~~(3) the Compliance Adviser must inform the PRC issuer on a timely basis of any amendment or supplement to the Exchange Listing Rules and any new or amended law, regulation or code in Hong Kong applicable to such issuer. Without limiting the generality of Chapter 3A, the Compliance Adviser must provide advice to such issuer on the continuing requirements under the Exchange Listing Rules and applicable laws and regulations; and~~

~~(4) where the authorised representatives of the PRC issuer are expected to be frequently outside Hong Kong, the Compliance Adviser must act as the PRC issuer's principal channel of communication with the Exchange in Hong Kong. The Compliance Adviser must also provide the Exchange with the names, home and office telephone numbers and where available, facsimile numbers, of at least one of its officers and an alternate who will act as the Compliance Adviser's contact with the Exchange and the PRC issuer.~~

19A.07 ~~[Repealed ●] If the authorised representatives of a PRC issuer are expected to be frequently outside Hong Kong, then they or their alternates (who must be authorised to speak on behalf of the PRC issuer) appointed under rule 3.06(2) must be readily contactable by the Exchange at the home and office telephone numbers and where available, facsimile numbers, provided by them to the Exchange.~~

Chapter 4

...

## Chapter 8 — Qualifications for Listing

...

19A.13A Rule 8.08 is amended by adding the following provision to sub-paragraph (1)(b):

Where a PRC issuer has shares apart from the H shares for which listing is sought, the total securities of the issuer held by the public (on all regulated market(s) including the

Chapter 2 –  
Part A(2)

Exchange) at the time of listing must be at least 25% of the issuer's total number of issued shares. However, the issuer's H shares (for which listing is sought) must represent at least 15% of its total number of issued shares, having an expected market capitalisation at the time of listing of not less than HK\$125,000,000.

19A.13B For new applicants which are PRC issuers, the reference to "each class of securities for which listing is sought" in rule 8.09(3) shall mean H shares to be listed on the Exchange.

Chapter 2 –  
Part A(2)

...

19A.15 The requirement in rule 8.12 for sufficient management presence in Hong Kong, including that normally at least two of the new applicant's executive directors must be ordinarily resident in Hong Kong, shall apply except as otherwise permitted by the Exchange in its discretion. Where the new applicant wants to apply for a waiver from the requirement of rule 8.12, it must make a written submission for the Exchange's consideration. In exercising such discretion the Exchange will have regard to, among other considerations, the new applicant's arrangements for maintaining regular communication with the Exchange, ~~including but not limited to compliance by the new applicant with rules 19A.05 to 19A.07.~~

Chapter 3 –  
Part B(2)

...

19A.17 ~~Rules 8.19(1), 8.20 and 13.26(1) do not only apply to domestic shares or foreign shares other than H shares of a PRC issuer.~~

Chapter 3 -  
Part A(2)

...

19A.19 ~~[Repealed ●] In addition to the requirement of rule 19A.14, the Exchange may from time to time determine that certain persons or entities should be treated as connected persons of a PRC issuer for purposes of the connected transaction provisions of Chapter 14A.~~

Chapter 4

### Chapter 9 — Application Procedures and Requirements

...

19A.21 ...

(2) ~~The declaration and undertaking to be lodged under rule 9.11(38) forms of confirmation and undertaking to be lodged under rules 9.11(3a) and 9.11(3b) may require additional adjustment by virtue of the laws to which the PRC issuer is subject.~~

Chapter 4

...

19A.22A ~~[Repealed ●] Rule 9.11 is amended by adding the following new provision:~~

~~(23A) a certified copy of the document issued by the China Securities Regulatory Commission or other PRC competent authority expressly approving the PRC issuer's listing on the Exchange.~~

Chapter 2 -  
Part B

...

### Chapter 10 — Restrictions on Purchase and Subscription

...

19A.25 (1) ~~[Repealed ●] References to “ordinary resolution” in (a), (b) and (c) of rule 10.06(1) shall mean, for a PRC issuer, the special resolutions of shareholders in general meetings and of holders of domestic shares and foreign shares (and, if applicable, H shares) at separate meetings of such holders conducted in accordance with such issuer’s articles of association for approving share repurchases.~~

Chapter 2 - Part A(1)

(2) For a PRC issuer, (vii) of rule 10.06(1)(b) is restated in its entirety as follows:  
  
(vii) a statement as to the consequences of any purchases which will arise under either or both of the Takeovers Code and any similar applicable law of which the directors are aware, if any;

(3) For a PRC issuer, the reference to “10 per cent. of the existing issued share capital of the issuer” in (i) of rule 10.06(1)(c) is amended to mean “10 per cent. of the total amount of existing issued H shares of the PRC issuer”.

Chapter 3 - Part A(2)

### Chapter 11 — Listing Documents

19A.26 ~~[Repealed ●] Attention is particularly drawn to:~~

Chapter 4

- ~~(1) the requirement to include a statement of responsibility (see rule 11.12);~~
- ~~(2) the fact that the Exchange may require disclosure of such additional or alternative items of information as it considers appropriate in any particular case (see rule 11.11); and~~
- ~~(3) the requirement to include a summary of the provisions of the constitutive documents of the PRC issuer and the relevant PRC law in the listing document (see rules 19A.27(2) and (3) and 19A.27A).~~

19A.27 The following modifications and additional requirements apply to the contents of listing documents:

...

(2) the listing document must contain a summary of all provisions of the constitutive documents of the PRC issuer in so far as they may affect shareholders’ rights and protection and directors’ powers (using, and covering at the least, the same subject headings as is required by under the attachment to Part A of Appendix 1 Section 2 in Part D of Appendix 13 in respect of PRC issuers);

Chapter 2 - Part A(4)

...

...

### Chapter 13 — Continuing Obligations

19A.28 ~~[Repealed ●] Whilst Chapter 13 and Appendix 16 apply equally to PRC issuers, the Exchange may be prepared to agree to such modifications as it considers appropriate in a particular case.~~

Chapter 4

19A.29 ~~[Repealed ●] Conversely, the Exchange may impose additional requirements in a~~

Chapter 4

~~particular case (see, for example, rule 19A.19). The additional requirements currently imposed by the Exchange in respect of PRC issuers are set out in Part D of Appendix 13. The Exchange may add to, waive, modify or not require compliance with, the requirements of Chapter 13 and Appendix 16, on a case by case basis in its absolute discretion.~~

...

### **Annual report and accounts and auditors' report**

...

19A.36 ~~[Repealed ●] If the PRC issuer's primary listing is or is to be on another stock exchange, an auditors' report which conforms to the requirements of the International Standards on Auditing or China Auditing Standards is acceptable.~~

Chapter 4

...

### **Pre-emptive rights**

19A.38 The requirements of rule 13.36(1) and (2)(a) are replaced in their entirety by the following provisions:

~~"13.36 (1) (a) Except in the circumstances mentioned in rule 13.36(2), the directors of the PRC issuer shall obtain the approval by a special resolution of shareholders in general meeting, and the approvals by special resolutions of holders of domestic shares and overseas listed foreign shares (and, if applicable, H shares) (each being otherwise entitled to vote at general meetings) at separate class meetings conducted in accordance with the PRC issuer's articles of association, prior to authorising, allotting, issuing or granting:~~

Chapter 2 -  
Part A(1)

~~(i) shares;~~

~~(ii) securities convertible into shares; or~~

~~(iii) options, warrants or similar rights to subscribe for any shares or such convertible securities.~~

~~*Note: Importance is attached to the principle that a shareholder should be able to protect his proportion of the total equity by having the opportunity to subscribe for any new issue of equity securities. Accordingly, unless shareholders otherwise permit, all issues of equity securities by the PRC issuer must be offered to the existing shareholders (and, where appropriate, to holders of other equity securities of the PRC issuer entitled to be offered them) pro rata to their existing holdings, and only to the extent that the securities offered are not taken up by such persons may they be allotted or issued to other persons or otherwise than pro rata to their existing holdings. This principle may be waived by the shareholders themselves on a general basis, but only within the limits of rule 13.36(2).*~~

~~(b) Notwithstanding rule 13.36(2), the directors of the PRC issuer shall obtain the approval by special resolution of the shareholders in general meeting prior to allotting any voting shares if such allotment would effectively alter the control of the PRC issuer.~~

(2) No such consent approval as is referred to in rule 13.36(1)(a) shall be required; ~~in the case of authorising, allotting or issuing shares if, but only to the extent that,~~

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

Chapter 2 -  
Part A(1)

*Notes: (1) The PRC issuer must make enquiries regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange and may only exclude such overseas shareholders on the basis that, having made such enquiries, it would be necessary or expedient to do so.*

*(2) If any shareholders that are resident outside the PRC and Hong Kong are excluded from an offer of securities pursuant to rule 13.36(2)(a), the PRC issuer shall include an explanation for the exclusion in the relevant circular or document containing the offer of securities. PRC issuers shall ensure that the circular or offer document is delivered to such shareholders for their information subject to compliance with the relevant local laws, regulations and requirements.*

*(3) The exemption for the shareholders' approval requirement under rule 13.36(2)(a) does not apply to the allotment, issue or grant of securities under an open offer.*

~~(b) the existing shareholders of the PRC issuer have by special resolution in general meeting given approval, either unconditionally or subject to such terms and conditions as may be specified in the resolution, for the PRC issuer to authorise, allot or issue, either separately or concurrently once every twelve months, not more than twenty per cent. of each of the existing issued domestic shares and overseas listed foreign shares of the PRC issuer; or~~

Chapter 3 -  
Part A(1)

~~(c) such shares are part of the PRC issuer's plan at the time of its establishment to issue domestic shares and overseas listed foreign shares and which plan is implemented within 15 months from the date of approval by the China Securities Regulatory Commission or such other competent state council securities regulatory authority.~~

Chapter 2 -  
Part A(1)

~~Notes: (1) Other than where independent shareholders' approval has been obtained, an issue of securities to a connected person pursuant to a general mandate given under rule 13.36(2) is only permitted in the circumstances set out in rule 14A.92.~~

~~(2) The PRC issuer does not have to comply with rule 13.36 if its primary listing is or is to be on another stock exchange and it is not subject to any other statutory or other requirement giving pre-emptive rights to shareholders over further issues of share capital. If the PRC issuer has no domestic shares issued, nor expects to issue domestic shares in the future, the PRC issuer should consult the Exchange concerning appropriate modifications to the provisions of rule 13.36(2).~~

~~(3) Notwithstanding any issue of securities pursuant to a general mandate given under rule 13.36(2), the PRC issuer must at all times comply with the prescribed minimum percentage requirements concerning shares held by the public, as set out in rule 13.32."~~

## Chapter 14 — Notifiable Transactions

19A.38A Rule 14.07(4) is amended by adding the following provisions:

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

Chapter 2 –  
Part A(2)

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

19A.39 ~~[Repealed ●] References in Chapter 14 to an issuer's "accounts" shall mean, in the case of a PRC issuer, the latest published audited accounts or consolidated accounts of such issuer which have been prepared in accordance with Hong Kong Financial Reporting Standards, International Financial Reporting Standards or China Accounting Standards for Business Enterprises as provided for in rule 19A.10 or rule 19A.31, as the case may be.~~

Chapter 4

## Despatch of circular and listing document

19A.39A ~~[Repealed ●] The timing for despatching a circular under rules 13.73, 14.41(b), 14.51, 14A.46(1) and 17.06 is modified to require a PRC issuer to despatch the circular on or before the deadline for giving notice of the general meeting under the Company Law.~~

Chapter 2 -  
Part A(5)

19A.39B ~~[Repealed ●] The timing for despatching a listing document under rule 14.57 is modified to require a PRC issuer to despatch the listing document on or before the deadline for giving notice of the general meeting under the Company Law.~~

Chapter 2 -  
Part A(5)

...

### Listing Fees

19A.40 ~~[Repealed ●] Details of the initial listing fee, annual listing fee, subsequent issue fee and other charges together with details of the brokerage charge, levies and trading fees on new issues are set out in Appendix 8.~~

Chapter 4

### Appendix 1

#### Part A — Contents of Listing Documents where listing is sought for equity securities of a PRC issuer no part of whose share capital is already listed on the Exchange

...

19A.42 Part A of Appendix 1 is further supplemented by adding below paragraph 53 thereof, but before the Notes thereto, the following new caption heading and new paragraphs 54 to 65:

#### “Additional information on PRC issuers

54. Where a public or private issue or placing of securities of the PRC issuer other than H shares is being made simultaneously with the issue of H shares in Hong Kong or is proposed to be made as part of such issuer’s share issue plan which was approved at the inaugural meeting or any shareholders’ meeting of the issuer:—

...

(2) a statement of whether or not such issue plan has been approved by the China Securities Regulatory Commission ~~(or if no such approval is required, whether the PRC issuer has completed the filing of its issue plan with the China Securities Regulatory Commission where applicable)~~ and the timetable for the share issues under such plan, and if such plan has not been approved or the requisite filing procedures have not been completed, when such approval or completion of the filing procedures is expected (as the case may be);

Chapter 2 -  
Part B

...

(4) a description of the effect on the PRC issuer’s future plans, prospects and financial condition (including profit forecast, if any) if such issue or placing of securities is not being completed in the manner described in the listing document or if the approval or the completion of filing of the share issue plan referred to in (2) above is not approved does not take place by the expected date;

Chapter 2 -  
Part B

(5) if such securities are not admitted for listing on any stock exchange, a statement of whether there is (or is proposed to be) trading or dealing in such securities on any other authorised trading facility ~~such as the~~

Chapter 4

~~Securities Trading Automated Quotation System (證券交易自動報價系統) in the PRC;~~

...

- (7) information concerning each legal person or individual expected to hold ~~domestic shares or foreign~~ shares other than H shares constituting 10% or more of the existing issued share capital of the PRC issuer upon the completion of such issue or placing of ~~domestic shares or foreign~~ shares other than H shares, and the number of ~~domestic shares or foreign~~ shares other than H shares to be held by each such legal person or individual.

Chapter 2 –  
Part A(2)

55. Where any securities of the PRC issuer are already issued and outstanding:—

...

- (2) if such securities are not admitted for listing on any stock exchange, a statement of whether there is trading or dealing in such securities on any other authorised trading facility ~~such as the Securities Trading Automated Quotation System (證券交易自動報價系統) in the PRC;~~

Chapter 4

...

56. Particulars of the quorum and voting requirements for general meetings of shareholders ~~and for separate meetings of holders of domestic shares and foreign shares (and, if applicable, H shares).~~

Chapter 2 –  
Part A(1)

...

59. ~~[Repealed ●] A statement of whether or not the PRC issuer has applied or intends to apply for the status of a sino foreign investment joint stock limited company (中外合資股份有限公司) and whether or not the PRC issuer is or expects to be subject to the PRC Sino-Foreign Joint Venture Law (中外合資經營企業法).~~

Chapter 4

...

62. ~~[Repealed ●] In an appropriately prominent place and manner in the listing document, the statements by the acquirer of shares required to be in a PRC issuer's listing document pursuant to rule 19A.52.~~

Chapter 3 –  
Part B(1)

63. ~~[Repealed ●] A general statement on the front page of the listing document to the following effect:~~

Chapter 3 –  
Part B(4)

~~“The Company is incorporated, and its businesses are located, in the People's Republic of China (“PRC”). Potential investors in the Company should be aware of the differences in the legal, economic and financial systems between the mainland of the PRC and Hong Kong and that there are different risk factors relating to investment in PRC-incorporated businesses. Potential investors should also be aware that the regulatory framework in the PRC is different from the regulatory framework in Hong Kong and should take into consideration the different market nature of the shares of the Company. Such differences and risk factors are set out in the sections headed ‘  
\_\_\_\_\_’ on pages \_\_\_\_\_.”~~



64. ~~[Repealed ●] The risk factors section shall include, among other things, a brief summary of:~~
- ~~(a) the relevant PRC laws and regulations;~~
  - ~~(b) the political structure and economic environment of the PRC;~~
  - ~~(c) foreign exchange controls in the PRC and the exchange rate risk of the Renminbi;~~
  - ~~(d) the different regulatory framework for PRC issuers listing outside the mainland of the PRC;~~
  - ~~(e) specific risk factors related to the business of the PRC issuer and/or its products; and~~
  - ~~(g) the law(s) governing the resolution of disputes arising from the PRC issuer's articles of association and the transfer of the PRC issuer's shares.~~
65. ~~[Repealed ●] A description of applicable company law matters including material differences between the requirements of the PRC and of Hong Kong. Such description should include the following:~~
- ~~(a) the quorum and voting requirements for general meetings of shareholders and for separate meetings of holders of domestic shares and foreign shares (and, if applicable, H shares);~~
  - ~~(b) the PRC issuer's ability, by way of a special resolution in a general meeting, to issue, allot or grant up to 20% of its existing share capital in domestic shares and/or foreign shares (and, if applicable, H shares) once every 12 months, without a separate vote by holders of foreign shares;~~
  - ~~(c) the PRC issuer's ability to issue domestic shares and foreign shares (and, if applicable, H shares) pursuant to a share issue plan adopted at the inaugural meeting of the PRC issuer without a separate vote by holders of foreign shares;~~
  - ~~(d) any right of action a shareholder may have against directors of the PRC issuer;~~
  - ~~(e) the special features of arbitration; and~~
  - ~~(f) the standard of shareholder protection, which is different from that generally available in Hong Kong."~~

Chapter 3 –  
Part B(4)

Chapter 3 –  
Part B(4)

Chapter 2 -  
Part A(1)

Chapter 3 –  
Part B(4)

Chapter 2 –  
Part A(1)

Chapter 3 -  
Part A(1)

Chapter 2 -  
Part A(1)

Chapter 2 -  
Part A(3)

## Appendix 1

### Part B — Contents of Listing Documents where listing is sought for equity securities of a PRC issuer some part of whose share capital is already listed on the Exchange

...

19A.44 Part B of Appendix 1 is further supplemented by adding below paragraph 43 thereof,

but before the Notes thereto, the following new caption heading and new paragraphs 44 and 47:

**“Additional information on PRC issuers**

44. Where a public or private issue or placing of securities of the PRC issuer other than H shares is being made simultaneously with the issue of H shares in Hong Kong or is proposed to be made prior to the end of three months after the issue of the listing document in Hong Kong:—

...

(3) if such securities are not admitted for listing on any stock exchange, a statement of whether there is (or is proposed to be) trading or dealing in such securities on any other authorised trading facility ~~such as the Securities Trading Automated Quotation System (證券交易自動報價系統) in the PRC;~~

Chapter 4

...

(5) information concerning each legal person or individual expected to hold ~~domestic shares or foreign~~ shares other than H shares constituting 10% or more of the existing issued share capital of the PRC issuer upon the completion of such issue or placing of ~~domestic shares or foreign~~ shares other than H shares, and the number of ~~domestic shares or foreign~~ shares other than H shares to be held by each such legal person or individual.

Chapter 2 – Part A(2)

...

47. ~~[Repealed ●] In an appropriately prominent place and manner in the listing document, the statements by the acquirer of shares required to be in a PRC issuer’s listing document pursuant to rule 19A.52.~~

Chapter 3 – Part B(1)

...

**Appendix 3 — Articles of Association or equivalent constitutional documents**

19A.45 ~~[Repealed ●] A PRC issuer shall not at any time permit or cause any amendment to be made to its articles of association which would cause the same to cease to comply with the provisions of Appendix 3 or Section 1 of Part D of Appendix 13.~~

Chapter 4

...

**Other Requirements Applicable to PRC Issuers**

19A.50 ~~[Repealed ●] A PRC issuer shall published on the Exchange’s website and the issuer’s own website, the following:—~~

Chapter 3 - Part B(3)

~~(1) [Repealed 4 October 2021]~~

~~(2) a report showing the state of the issued share capital of the PRC issuer;~~

~~(3) the PRC issuer’s latest audited financial statements and the directors’, auditors’ and supervisors’ reports thereon;~~

- ~~(4) special resolutions of the PRC issuer;~~
- ~~(5) reports showing the number and nominal value of securities repurchased by the PRC issuer since the end of the last financial year, the aggregate amount paid for such securities and the maximum and minimum prices paid in respect of each class of securities repurchased (with a breakdown between domestic shares and foreign shares (and, if applicable, H shares)); and~~
- ~~(6) a copy of the latest annual return filed with the Administration for Industry and Commerce or other competent PRC authority.~~
- ~~(7) [Repealed 4 October 2021]~~

19A.50A ~~[Repealed ●] A PRC issuer shall make available copies of the following at a place in Hong Kong:~~

Chapter 3 -  
Part B(3)

- ~~(1) a complete duplicate register of shareholders (for inspection by the public and shareholders free of charge, and for copying by shareholders at reasonable charges); and~~
- ~~(2) the minutes of meetings of shareholders (for inspection by shareholders free of charge, and for copying by shareholders at reasonable charges).~~

...

19A.52 ~~[Repealed ●] A PRC issuer shall ensure that all its listing documents and share certificates include the statements stipulated below and shall instruct and cause each of its share registrars not to register the subscription, purchase or transfer of any of its shares in the name of any particular holder unless and until such holder delivers to such share registrar a signed form in respect of such shares bearing statements to the following effect:—~~

Chapter 4

- ~~(1) The acquirer of shares agrees with the PRC issuer and each shareholder of the PRC issuer, and the PRC issuer agrees with each shareholder, to observe and comply with the Company Law, the Regulations and the articles of association of the PRC issuer.~~
- ~~(2) The acquirer of shares agrees with the PRC issuer, each shareholder, director, supervisor, manager and officer of the PRC issuer and the PRC issuer acting for itself and for each director, supervisor, manager and officer agrees with each shareholder to refer all differences and claims arising from the articles of association or any rights or obligations conferred or imposed by the Company Law or other relevant laws and administrative regulations concerning the affairs of the PRC issuer to arbitration in accordance with the articles of association, and any reference to arbitration shall be deemed to authorise the arbitration tribunal to conduct hearing in open session and to publish its award. Such arbitration shall be final and conclusive.~~

Chapter 2 -  
Part A(5)

Chapter 4

Chapter 2 -  
Part A(3)

- ~~(3) The acquirer of shares agrees with the PRC issuer and each shareholder of the PRC issuer that shares in the PRC issuer are freely transferable by the holder thereof.~~

Chapter 4

- ~~(4) The acquirer authorises the PRC issuer to enter into a contract on his behalf with~~

Chapter 3 -  
Part B(1)

~~each director and officer whereby such directors and officers undertake to observe and comply with their obligations to shareholders stipulated in the articles of association.~~

19A.53 ~~[Repealed ●] A PRC issuer shall observe and comply with the Company Law, the Regulations and the PRC Issuer's articles of association.~~

Chapter 2 -  
Part A(5)

Chapter 4

19A.54 ~~[Repealed ●] A PRC issuer shall enter into a contract in writing with every director and officer containing at least the following provisions:—~~

~~(1) an undertaking by the director or officer to the PRC issuer to observe and comply with the Company Law, the Regulations, the articles of association, the Takeovers Code and Share Buy-backs Code and an agreement that the PRC issuer shall have the remedies provided in the articles of association and that neither the contract nor his office is capable of assignment;~~

Chapter 2 -  
Part A(5)

Chapter 3 -  
Part B(1)

~~(2) an undertaking by the director or officer to the PRC issuer acting as agent for each shareholder to observe and comply with his obligations to shareholders stipulated in the articles of association; and~~

Chapter 3 -  
Part B(1)

~~(3) an arbitration clause as follows:—~~

~~(a) Whenever any disputes or claims arise from this contract, the company's articles of association or any rights or obligations conferred or imposed by the Company Law or other relevant laws and administrative regulations concerning the affairs of the company between (i) the company and its directors or officers; and (ii) a holder of overseas listed foreign shares and a director or officer of the company, the parties concerned shall resolve such disputes and claims through arbitration.~~

Chapter 2 -  
Part A(3)

~~(b) Where a dispute or claim described above is referred to arbitration, the entire dispute or claim shall be resolved through arbitration; all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, if they are shareholders, directors, supervisors, manager or other officers of the company or the company, shall submit to arbitration.~~

~~(c) Disputes over who is a shareholder and over the share register do not have to be resolved through arbitration.~~

~~(d) The party seeking arbitration may elect to have the dispute or claim arbitrated either by the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or by the Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. Once the party seeking arbitration submits a dispute or claim to arbitration, the other party must submit to the arbitral body selected by the party seeking the arbitration.~~

~~(e) If the party seeking arbitration elects to arbitrate the dispute or claim at the Hong Kong International Arbitration Centre, then either party may apply to have such arbitration conducted in Shenzhen according to the securities arbitration rules of the Hong Kong International Arbitration Centre.~~

~~(f) The laws of the People's Republic of China shall govern the arbitration of~~

~~disputes or claims described in clause (a) above, unless otherwise provided by law or administrative regulations.~~

~~(g) The award of the arbitral body is final and shall be binding on the parties thereto.~~

~~(h) This agreement to arbitrate is made by the director or officer with the company on its own behalf and on behalf of each shareholder.~~

~~(i) Any reference to arbitration shall be deemed to authorise the arbitral tribunal to conduct hearings in open session and to publish its award.~~

19A.55 ~~[Repealed ●] A PRC issuer shall enter into a contract in writing with every supervisor containing at least the following provisions:—~~

~~(1) an undertaking by the supervisor to the PRC issuer to observe and comply with the Company Law, the Regulations and the articles of association and an agreement that the PRC issuer shall have the remedies provided in the articles of association and that neither the contract nor his office is capable of assignment;~~

Chapter 2 - Part A(5)

Chapter 3 - Part B(1)

~~(2) an undertaking by the supervisor to the PRC issuer acting as agent for each shareholder to observe and comply with his obligations to shareholders stipulated in the articles of association; and~~

Chapter 3 - Part B(1)

~~(3) the arbitration clause set forth in rule 19A.54(3), subject to necessary modifications.~~

Chapter 2 - Part A(3)

19A.56 ~~[Repealed ●] All notices or other documents required under Chapter 13 to be sent by a PRC issuer to the Exchange shall be in the English language, or accompanied by a certified English translation.~~

Chapter 4

...

## Appendix 1

### Contents of Listing Documents

#### Part A Equity Securities

**In the case where listing is sought for equity securities of an issuer no part of whose share capital is already listed**

...

#### Attachment to Part A of Appendix 1

Chapter 2 - Part A(4)

A summary of the constitutive documents required by rule 19.10(2) or 19A.27(2) 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 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 issuer's or any of its subsidiaries' shares

- (i) summary
- (ii) differences

(f) disclosure of interests in contracts with the 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 the issuer to purchase its own shares
  - (i) summary
  - (ii) differences
- (11) power of any subsidiary of the 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 issuer or the shareholders thereof.

## APPENDIX 13

### Part D

#### THE PEOPLE'S REPUBLIC OF CHINA

#### THIS APPENDIX HAS BEEN REPEALED

Chapter 2 -  
Part A(4)

[Repealed ●]

~~Section 1. Additional required provisions for articles of association~~

~~Section 2. Modifications and additional requirements~~

### Section 1

#### ~~ADDITIONAL REQUIREMENTS FOR THE ARTICLES OF ASSOCIATION OF ISSUERS INCORPORATED IN THE PEOPLE'S REPUBLIC OF CHINA~~

~~In addition to the provisions of Appendix 3, the articles of association of issuers incorporated in the People's Republic of China whose primary listing is or is to be on the Exchange (see rules 19A.01 to 19A.03) must include:—~~

- ~~(a) — the Mandatory Provisions for Companies Listing Overseas set forth in Zhong 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 (the "Mandatory Provisions");~~
- ~~(b) — in addition to article 36 of the Mandatory Provisions, a provision to the effect that the part of the register of holders of overseas listed foreign shares relating to holders of shares listed on the Exchange shall be maintained in Hong Kong;~~
- ~~(c) — in addition to article 140 of the Mandatory Provisions, a provision to the effect that for its overseas listed foreign shares listed on the Exchange, the issuer shall appoint as receiving agents a company which is registered as a trust company under the Trustee Ordinance of Hong Kong;~~



~~(d) — in addition to article 104 of the Mandatory Provisions, provisions that set out the voting procedures of the supervisory committee and must include provisions to the following effect:—~~

~~(i) — the election or removal of the chairman of the supervisory committee shall be decided by two thirds or more of the supervisors; and~~

~~(ii) — decisions of the supervisory committee shall be made by the affirmative vote of two thirds or more of the supervisors;~~

~~(e) — in addition to article 148 of the Mandatory Provisions, provisions that set out the procedures for the change, removal and resignation of auditors and must include provisions to the following effect:—~~

~~(i) — Where a resolution at a general meeting of shareholders is passed to appoint as auditor a person other than an incumbent auditor, to fill a casual vacancy in the office of auditor, to reappoint as auditor a retiring auditor who was appointed by the board of directors to fill a casual vacancy, or to remove an auditor before the expiration of his term of office, the following provisions shall apply:—~~

~~(A) — A copy of the proposal shall be sent before notice of meeting is given to the shareholders to the person proposed to be appointed or the auditor proposing to leave his post or the auditor who has left his post (leaving includes leaving by removal, resignation and retirement).~~

~~(B) — If the auditor leaving his post makes representations in writing and requests their notification to the shareholders, the issuer shall (unless the representations are received too late):—~~

~~(x) — in any notice of the resolution given to shareholders, state the fact of the representations having been made; and~~

~~(y) — send a copy of the representations to every shareholder entitled to notice of general meetings.~~

~~(C) — If the auditor's representations are not sent under [article corresponding to (B) above] the auditor may (in addition to his right to be heard) require that the representations be read out at the meeting.~~

~~(D) — An auditor who is leaving his post shall be entitled to attend:—~~

~~(x) — the general meeting at which his term of office would otherwise have expired;~~

~~(y) — any general meeting at which it is proposed to fill the vacancy caused by his removal; and~~

~~(z) — any general meeting convened on his resignation;~~

~~and to receive all notices of, and other communications relating to, any such meeting, and to be heard at any such meeting which he attends on any part of the business of the meeting which concerns him as former auditor of the issuer.~~

~~(ii) An auditor may resign his office by depositing at the issuer's seat a notice in writing to that effect and containing:—~~

~~(A) a statement to the effect that there are no circumstances connected with his resignation which he considers should be brought to the notice of the shareholders or creditors of the issuer; or~~

~~(B) a statement of any such circumstances.~~

~~Any such notice shall terminate his office on the date on which it is deposited or on such later date as may be specified therein.~~

~~(iii) Where a notice is deposited under [article corresponding to 1(e)(ii)], the issuer shall within 14 days send a copy of the notice to the competent authority. If the notice contained a statement under [article corresponding to 1(e)(i)(B)], a copy of the notice shall also be sent to every person entitled to obtain a copy of the issuer's financial statements.~~

~~(iv) Where the auditor's notice of resignation contains a statement under [article corresponding to 1(e)(ii)(B)], he may require the board of directors to convene an extraordinary general meeting of shareholders for the purpose of receiving an explanation of the circumstances connected with his resignation; and~~

~~(f) — a provision to the following effect:—~~

~~In addition to holders of other classes of shares, holders of domestic shares and overseas listed foreign shares are deemed to be different classes of shareholders; provided however that the special procedures for approval by separate class shareholders shall not apply to the following circumstances:—~~

~~(i) where the issuer issues, upon approval by a special resolution of its shareholders in a general meeting, either separately or concurrently once every twelve months, not more than twenty per cent. of each of the existing issued domestic shares and overseas listed foreign shares of the issuer; or~~

~~(ii) where the issuer's plan to issue domestic shares and overseas listed foreign shares on establishment is implemented within fifteen months from the date of approval by the China Securities Regulatory Commission.~~

## **Section 2**

### **MODIFICATIONS AND ADDITIONAL REQUIREMENTS**

**~~(see rule 19A.27(2))~~**

Chapter 2 -  
Part A(4)

~~1. — A summary of the constitutive documents required by rule 19A.27(2) 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 PRC 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 PRC issuer's or any of its subsidiaries' shares~~

~~(i) — summary~~

~~(ii) — differences~~

~~(f) — disclosure of interests in contracts with the PRC 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 the PRC issuer to purchase its own shares
  - ~~(i) summary~~
  - ~~(ii) differences~~~~
- ~~(11) power of any subsidiary of the PRC 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 PRC issuer or the shareholders thereof.~~

~~2. [Repealed 2 November 2009]~~

## B. Draft Amendments to the GEM Rules

### Chapter 1

#### GENERAL

#### INTERPRETATION

...

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

...

**~~“domestic shares”~~**

~~shares issued by a PRC issuer under PRC law, the par value of which is denominated in Renminbi, and which are subscribed for in Renminbi~~

Chapter 2 –  
Part A(2)

...

**~~“foreign shares”~~**

~~shares issued by a PRC issuer under PRC law, the par value of which is denominated in Renminbi, and which are subscribed for in a currency other than Renminbi~~

Chapter 2 –  
Part A(2)

...

**“H Shares”**

overseas listed foreign shares of a PRC issuer which are listed and traded on GEM

Chapter 2 –  
Part A(2)

...

**~~“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~~

Chapter 2 -  
Part A(5)

...

**“overseas listed foreign shares”**

in respect of a PRC issuer means foreign shares which are listed outside the PRC

Chapter 2 –  
Part A(2)

...

**~~“Regulations”~~**

~~the Special Regulations on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies issued by the State Council of the PRC on 4 August 1994, as amended, supplemented or otherwise modified from time to time~~

Chapter 2 -  
Part A(5)

...

...

## Chapter 6A

### SPONSORS AND COMPLIANCE ADVISERS

...

6A.23 During the Fixed Period, a listed issuer must consult with and, if necessary, seek advice from its Compliance Adviser on a timely basis in the following circumstances:

- (1) before the publication of any regulatory announcement, circular or financial report;
- (2) where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues and share repurchases;
- (3) where the listed issuer proposes to use the proceeds of the initial public offering in a manner different from that detailed in the listing document or where the business activities, developments or results of the listed issuer deviate from any forecast, estimate, or other information in the listing document; and
- (4) where the Exchange makes an inquiry of the listed issuer under rule 17.11.

*Note: The listed issuer must ensure that the Compliance Adviser has access at all times to its directors, authorised representatives and other officers and should procure that such persons provide promptly to the Compliance Adviser such information and assistance as the Compliance Adviser may need or may reasonably request in connection with the performance of the Compliance Adviser's duties as set out in this chapter. The listed issuer must also ensure that there are adequate and efficient means of communications between itself, its directors, authorised representatives and other officers and the Compliance Adviser and should keep the Compliance Adviser fully informed of all communications and dealings between it and the Exchange.*

Chapter 3 -  
Part B(2)

6A.24 When a Compliance Adviser is consulted by a listed issuer in the circumstances set out in rule 6A.23 above it must discharge the following responsibilities with due care and skill:

- (1) ensure the listed issuer is properly guided and advised as to compliance with the GEM Listing Rules and all other applicable laws, rules, codes and guidelines;

*Note: The Compliance Adviser must inform the listed issuer on a timely basis of any amendment or supplement to the GEM Listing Rules and any new or amended laws and regulations in Hong Kong applicable to such issuer.*

Chapter 3 -  
Part B(2)

...

...

## Chapter 11

### EQUITY SECURITIES

#### QUALIFICATIONS FOR LISTING

...

##### 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 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. ~~In addition PRC issuers must also comply with Part C of Appendix 11.~~

Chapter 2 -  
Part A(4)

...

## Chapter 12

### EQUITY SECURITIES

#### APPLICATION PROCEDURES AND REQUIREMENTS

...

##### 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:—

...

- (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 Appendix 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;

Chapter 2 -  
Part A(4)

...



*At least 4 clear business days before the expected hearing date*

...

12.23BB Where the new applicant's application for listing on the Exchange is required to be filed with the China Securities Regulatory Commission in the PRC, a copy of the notification issued by the China Securities Regulatory Commission on the new applicant's completion of the PRC filing procedures.

Chapter 2 -  
Part B

...

## Chapter 17

### EQUITY SECURITIES

#### CONTINUING OBLIGATIONS

...

#### *Pre-emptive rights*

17.39 Except in the circumstances mentioned in rule 17.41, the directors of an issuer (~~other than a PRC issuer, to which the provisions of rule 25.23 apply~~) shall obtain the consent of shareholders in general meeting prior to allotting, issuing or granting:—

Chapter 2 -  
Part A(1)

- (1) shares;
- (2) securities convertible into shares; or
- (3) options, warrants or similar rights to subscribe for any shares or such convertible securities.

Note: Importance is attached to the principle that a shareholder should be able to protect his proportion of the total equity by having the opportunity to subscribe for any new issue of equity securities. Accordingly, unless shareholders otherwise permit, all issues of equity securities by the issuer must be offered to the existing shareholders (and, where appropriate, to holders of other equity securities of the issuer entitled to be offered them) pro rata to their existing holdings, and only to the extent that the securities offered are not taken up by such persons may they be allotted or issued to other persons or otherwise than pro rata to their existing holdings. This principle may be waived by the shareholders themselves on a general basis, but only within the limits of rules 17.41 and 17.42.

17.40 Notwithstanding rule 17.41(2), the directors of the issuer (~~other than a PRC issuer, to which the provisions of rule 25.23 apply~~) shall obtain the consent of the shareholders in general meeting prior to allotting any voting shares if such allotment would effectively alter the control of the issuer.

Chapter 2 -  
Part A(1)

...

## Changes

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

- (1) any proposed alteration to the issuer’s memorandum or articles of association or equivalent documents and, ~~in the case of a PRC issuer, any proposed request by the PRC issuer or a PRC competent authority to waive or otherwise modify any provision of the Regulations.~~

Chapter 2 –  
Part A(5)

...

*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 (for these purposes, the PRC), such changes must conform with Appendix 11.~~*

Chapter 2 –  
Part A(4)

...

...

## Chapter 24

### EQUITY SECURITIES

### OVERSEAS ISSUERS

...

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, and covering at the least, the same subject headings as required under the attachment to Part A of Appendix 1);

Chapter 2 -  
Part A(4)

*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.~~*

...

- (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:
- (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;

Notes:

...

2. ~~[Repealed ●] 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.~~

Chapter 2 -  
Part A(4)

...

...

## Chapter 25

### EQUITY SECURITIES

#### ISSUERS INCORPORATED IN THE PEOPLE'S REPUBLIC OF CHINA

##### Preliminary

25.01 ~~[Repealed ●]~~

- (1) ~~Overseas issuers incorporated in the common law jurisdictions of Bermuda and Cayman Islands may list on GEM provided that certain additional requirements set out or referred to in Chapter 24 are fulfilled. The legal system in the PRC is not based on a common law system. Furthermore, existing PRC law imposes various restrictions affecting the use of foreign exchange in the PRC and its remittance out of the PRC. Under current PRC law, only PRC citizens and legal persons are permitted to own the domestic shares (內資股) of a PRC issuer (which pay dividends in Renminbi), and only foreign investors and investors from the regions of Hong Kong, Macau and Taiwan are permitted to own the overseas listed foreign shares (境外上市外資股) of a PRC issuer (which pay dividends in a foreign currency). As a result, although under PRC law such domestic shares and foreign shares are all shares of a PRC issuer, the two kinds of shares in effect operate in separate markets subject to different investor demands.~~
- (2) ~~To deal with the different markets in which a PRC issuer's shares may be traded as well as with the non-common law basis of the PRC legal system, certain additional requirements, modifications and exceptions to the GEM Listing Rules are necessary in order for a PRC issuer to obtain and to maintain a listing of its securities on GEM.~~
- (3) ~~The purpose of this Chapter is to clarify that the GEM Listing Rules apply as much to PRC issuers as they do to Hong Kong and other overseas issuers, subject to the additional requirements, modifications and exceptions set out or referred to in this Chapter. Among such requirements are that (a) PRC issuers are expected to present their annual accounts in accordance with HKFRS, IFRS or CASBE; (b) the articles of association of PRC issuers must contain provisions~~

Chapter 2 -  
Part A(5)

~~which will reflect the different nature of domestic shares and overseas listed foreign shares (including H shares) and the different rights of their respective holders; and (c) disputes involving holders of H shares and arising from a PRC issuer's articles of association, or from any rights or obligations conferred or imposed by the Company Law and any other relevant laws and regulations concerning the affairs of the PRC issuer, are to be settled by arbitration in either Hong Kong or the PRC at the election of the claimant.~~

~~(4) However, if changes in PRC law or market practices materially alter the validity or accuracy of any of the foregoing statements, then the Exchange may impose additional requirements or make listing of the equity securities of a PRC issuer subject to special conditions as the Exchange considers appropriate. Whether or not any such changes in PRC law or market practices occur, the Exchange retains its general power to impose additional requirements and make special conditions under rule 2.07.~~

25.01A The GEM Listing Rules apply as much to PRC issuers as they do to Hong Kong issuers. This Chapter sets out the additional requirements, modifications or exemptions which apply to PRC issuers listed or to be listed on GEM. Rules 24.01 to 24.28 (inclusive) do not apply in the case of such PRC issuers.

Chapter 2 -  
Part A(5)

~~25.02 [Repealed ●] 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).~~

Chapter 2 -  
Part A(5)

...

~~25.03 [Repealed ●] The Exchange will consider an application by a PRC issuer for listing on GEM under this Chapter only if:—~~

Chapter 4

- ~~(1) it is duly incorporated in the PRC as a joint stock limited company (股份有限公司);~~
- ~~(2) the Exchange is satisfied that there are adequate communication and cooperation arrangements in place between the Exchange and the relevant securities regulatory authorities in the PRC;~~
- ~~(3) in the case of a PRC issuer having equity securities listed or to be listed on another stock exchange, the Exchange is satisfied that there is adequate communication arrangement in place between the Exchange and such other stock exchange authority; and~~
- ~~(4) the Exchange is satisfied that applicable PRC law and the articles of association of the PRC issuer provide a sufficient level of shareholder protection to holders of H shares.~~

...

## Chapter 11 – Qualifications for Listing

...

25.07A Rule 11.23 is amended by adding the following provision to sub-paragraph (9):

Chapter 2 -  
Part A(2)

Where a PRC issuer has shares apart from the H shares for which listing is sought,

the total securities of the issuer held by the public (on all regulated market(s) including the Exchange) at the time of listing must be at least 25% of the issuer's total number of issued shares. However, the issuer's H shares (for which listing is sought) must represent at least 15% of its total number of issued shares, having an expected market capitalisation at the time of listing of not less than HK\$45,000,000.

...

25.12 ~~Rules 11.02, and 11.30(1) and 17.28 do not only apply to domestic shares or foreign shares other than H shares of a PRC issuer.~~

Chapter 3 -  
Part A(2)

...

25.14 ~~[Repealed ●] In addition to the requirement of rule 25.10, the Exchange may from time to time determine that certain persons or entities should be treated as connected persons of a PRC issuer for the purposes of the connected transaction provisions of Chapter 20.~~

Chapter 4

### Chapter 12 – Application Procedures and Requirements

...

25.17A ~~[Repealed ●] A certified copy of the document issued by the China Securities Regulatory Commission or other PRC competent authority expressly approving the PRC issuer's listing on the Exchange must be lodged with the Exchange by a new applicant at least 4 clear business days before the proposed hearing date.~~

Chapter 2 -  
Part B

### Chapter 13 – Restrictions on Purchase, Disposal and Subscription

...

25.19 (1) ~~[Repealed ●] References to “ordinary resolution” in rules 13.07 to 13.09 shall mean, for a PRC issuer, the special resolutions of shareholders in general meetings and of holders of domestic shares and foreign shares (and, if applicable, H shares) at separate meetings of such holders conducted in accordance with such issuer's articles of association for approving share repurchases.~~

Chapter 2 -  
Part A(1)

(2) For a PRC issuer, rule 13.08(7) is restated in its entirety as follows:—

“a statement as to the consequences of any purchases which shall arise under either or both of the Takeovers Code and/or any similar applicable law of which the directors are aware, if any.”

(3) For a PRC issuer, the reference to “10% of the existing issued share capital of the PRC issuer” in rule 13.09(1) is amended to mean “10% of the total amount of existing issued H shares of the PRC issuer”.

Chapter 3 -  
Part A(2)

### Chapter 14 – Listing Documents

25.20 The following modifications and additional requirements apply to the contents of listing documents:

...

(2) the listing document must contain a summary of all provisions of the constitutional documents of the PRC issuer in so far as they may affect shareholders' rights and protection and directors' powers (using, and covering at the least, the same

Chapter 2 -  
Part A(4)

subject headings as is required by under the attachment to Part A of Appendix 1 Section 2 in Part C of Appendix 11 in respect of PRC issuers);

...

...

## Chapters 17 and 18 – Continuing Obligations and Financial Information

### General

25.21 ~~[Repealed ●] Whilst Chapters 17 and 18 apply equally to PRC issuers, the Exchange may be prepared to agree to such modifications as it considers appropriate in a particular case.~~

Chapter 4

25.22 ~~[Repealed ●] Conversely, the Exchange may impose further additional requirements in a particular case (see, for example, rule 25.14). The additional requirements currently imposed by the Exchange in respect of PRC issuers are set out in Part C of Appendix 11. The Exchange may add to, waive or not require compliance with, the requirements of Chapters 17 and 18, on a case by case basis in its discretion.~~

Chapter 4

...

### Pre-emptive rights

25.23 The requirements of rules ~~17.39 to 17.41~~(1) are replaced in their entirety by the following provision:—

Chapter 2 -  
Part A(1)

~~“17.39 Except in the circumstances mentioned in rule 17.41, the directors of the PRC issuer shall obtain the approval by a special resolution of shareholders in general meeting and the approvals by special resolutions of holders of domestic shares and overseas listed foreign shares (and, if applicable, H shares) (each being otherwise entitled to vote at general meetings) at separate class meetings conducted in accordance with the PRC issuer’s articles of association, prior to authorising, allotting, issuing or granting:—~~

~~(1) shares;~~

~~(2) securities convertible into shares; and~~

~~(3) options, warrants or similar rights to subscribe for any shares or such convertible securities.~~

~~*Note: Importance is attached to the principle that a shareholder should be able to protect his proportion of the total equity by having the opportunity to subscribe for any new issue of equity securities. Accordingly, unless shareholders otherwise permit, all issues of equity securities by the PRC issuer must be offered to the existing shareholders (and, where appropriate, to holders of other equity securities of the PRC issuer entitled to be offered them) pro-rata to their existing holdings, and only to the extent that the securities offered are not taken up by such persons may they be allotted or issued to other persons or otherwise than pro-rata to their existing holdings. This principle may be waived by the shareholders themselves on a general basis, but only within the limits of rule 17.41.*~~

~~17.40 Notwithstanding rule 17.41, the directors of the PRC issuer shall obtain the~~

~~approval by special resolution of its shareholders in general meeting, prior to allotting any voting shares if such allotment would effectively alter the control of the PRC issuer.~~

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

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

Chapter 2 -  
Part A(1)

*Notes: (1) The PRC issuer must make enquiries regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange and may only exclude such overseas shareholders on the basis that, having made such enquiries, it would be necessary or expedient to do so.*

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

- (3) The exemption for the shareholders' approval requirement under rule 17.41(1) does not apply to the allotment, issue or grant of securities under an open offer.

- ~~(2) the shareholders of the PRC issuer have by special resolution of its shareholders in general meeting given approval, either unconditionally or subject to such terms and conditions as may be specified in the resolution, for the PRC issuer to authorise, allot or issue, either separately or concurrently once every twelve months, not more than twenty per cent of each of the existing issued domestic shares and overseas listed foreign shares of the PRC issuer; or~~

Chapter 3 -  
Part A(1)

- ~~(3) such shares are part of the PRC issuer's plan at the time of its establishment to issue domestic shares and overseas listed foreign shares and which plan is implemented within fifteen months from the date of approval by China Securities Regulatory Commission or such other competent state council securities regulatory authority.~~

Chapter 2 -  
Part A(1)

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

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

...

### Despatch of circular and listing document

25.34A ~~[Repealed ●] The timing for despatching a circular under rules 17.46(2), 19.41(b), 19.51, 20.44(1) and 23.06 is modified to require a PRC issuer to despatch the circular on or before the deadline for giving notice of the general meeting under the Company Law.~~ Chapter 2 - Part A(5)

25.34B ~~[Repealed ●] The timing for despatching a listing document under rule 19.57 is modified to require a PRC issuer to despatch the listing document on or before the deadline for giving notice of the general meeting under the Company Law.~~ Chapter 2 - Part A(5)

### Chapter 19 – Notifiable Transactions

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

~~In respect~~ Where the shares of a PRC issuer (other than H shares) whose domestic shares are listed on a PRC stock exchange, the market capitalisation of its PRC listed domestic shares is to be determined based on the average closing price of those shares for the 5 business days immediately preceding the transaction. Chapter 2 – Part A(2)

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

...

### Listing on a PRC stock exchange

25.35 ~~[Repealed ●] A PRC issuer shall not apply for the listing of any of its foreign shares on a PRC stock exchange unless the Exchange is satisfied that the relative rights of the holders of overseas listed foreign shares are adequately protected.~~ Chapter 2 – Part A(2)

### Constitutional documents

25.36 ~~[Repealed ●] A PRC issuer shall not at any time permit or cause any amendment to be made to its articles of association which would cause the same to cease to comply with the provisions of Appendix 3 or Section 1 of Part C of Appendix 11 of the GEM Listing Rules.~~ Chapter 4

### Other requirements applicable to PRC issuers

25.37 ~~[Repealed ●] A PRC issuer shall publish on the Exchange’s website and the issuer’s own website the following:—~~ Chapter 3 - Part B(3)

~~(a) [Repealed 4 October 2021]~~

~~(b) a report showing the state of the issued share capital of the PRC issuer;~~

~~(c) the PRC issuer’s latest audited financial statements and the directors’, auditors’~~



and supervisors' reports thereon;

- (d) ~~special resolutions of the PRC issuer;~~
- (e) ~~reports showing the number and nominal value of securities repurchased by the PRC issuer since the end of the last financial year, the aggregate amount paid for such securities and the maximum and minimum prices paid in respect of each class of securities repurchased (with a breakdown between domestic shares and foreign shares (and, if applicable, H shares)); and~~
- (f) ~~a copy of the latest annual return filed with the Administration for Industry and Commerce or other relevant PRC authority.~~
- (g) ~~[Repealed 4 October 2021]~~

25.37A ~~[Repealed ●] A PRC issuer shall make available copies of the following at a place in Hong Kong:~~

Chapter 3 - Part B(3)

- (a) ~~a complete duplicate register of shareholders (for inspection by the public and shareholders free of charge, and for copying by shareholders at reasonable charges); and~~
- (b) ~~the minutes of meetings of shareholders (for inspection by shareholders free of charge, and for copying by shareholders at reasonable charges).~~

...

25.39 ~~[Repealed ●] A PRC issuer shall ensure that all its listing documents include the statements stipulated below and shall instruct and cause each of its share registrars not to register the subscription, purchase or transfer of any of its shares in the name of any particular holder unless and until such holder delivers to such share registrar a signed form in respect of such shares bearing statements to the following effect:—~~

Chapter 4

- (1) ~~The acquirer of shares agrees with the PRC issuer and each shareholder of the PRC issuer, and the PRC issuer agrees with each shareholder, to observe and comply with the Company Law, the Regulations and the articles of association of the PRC issuer.~~
- (2) ~~The acquirer of shares agrees with the PRC issuer, each shareholder, director, supervisor, manager and officer of the PRC issuer and the PRC issuer acting for itself and for each director, supervisor, manager and officer agrees with each shareholder to refer all differences and claims arising from the articles of association or any rights or obligations conferred or imposed by the Company Law or other relevant laws and administrative regulations concerning the affairs of the PRC issuer to arbitration in accordance with the articles of association, and any reference to arbitration shall be deemed to authorise the arbitration tribunal to conduct hearing in open session and to publish its award. Such arbitration shall be final and conclusive.~~
- (3) ~~The acquirer of shares agrees with the PRC issuer and each shareholder of the PRC issuer that shares in the PRC issuer are freely transferable by the holder thereof.~~
- (4) ~~The acquirer authorises the PRC issuer to enter into a contract on his behalf with each director and officer whereby such directors and officers undertake to observe and comply with their obligations to shareholders stipulated in the articles of association.~~

Chapter 2 - Part A(5)

Chapter 4

Chapter 2 - Part A(3)

Chapter 4

Chapter 3 - Part B(1)

All documents of title for equity securities (including certificates for H shares) of the PRC issuer listed on GEM and listing documents relating thereto should include the statements above, modified as appropriate, to refer to the relevant equity securities, and the PRC issuer shall instruct its registrar for the relevant equity securities to act accordingly.

25.40 ~~[Repealed ●] A PRC issuer shall observe and comply with the Company Law, the Regulations and the PRC issuer's articles of association.~~

Chapter 2 -  
Part A(5)

Chapter 4

25.41 ~~[Repealed ●] A PRC issuer shall enter into a contract in writing with every director and officer containing at least the following provisions:—~~

~~(1) an undertaking by the director or officer to the PRC issuer to observe and comply with the Company Law, the Regulations, the articles of association, the Takeovers Code and the Share Buy-backs Code and an agreement that the PRC issuer shall have the remedies provided in the articles of association and that neither the contract nor his office is capable of assignment;~~

Chapter 2 -  
Part A(5)

Chapter 3 -  
Part B(1)

~~(2) an undertaking by the director or officer to the PRC issuer acting as agent for each shareholder to observe and comply with his obligations to shareholders stipulated in the articles of association; and~~

Chapter 3 -  
Part B(1)

~~(3) an arbitration clause as follows:—~~

Chapter 2 -  
Part A(3)

~~(a) Whenever any disputes or claims arise from this contract, the company's articles of association or any rights or obligations conferred or imposed by the Company Law or other relevant laws and administrative regulations concerning the affairs of the company between (i) the company and its directors or officers; and (ii) a holder of overseas listed foreign shares and a director or officer of the company, the parties concerned shall resolve such disputes and claims through arbitration.~~

~~(b) Where a dispute or claim described above is referred to arbitration, the entire dispute or claim shall be resolved through arbitration; all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, if they are shareholders, directors, supervisors, manager or other officers of the company or the company, shall submit to arbitration.~~

~~(c) Disputes over who is a shareholder and over the share register do not have to be resolved through arbitration.~~

~~(d) The party seeking arbitration may elect to have the dispute or claim arbitrated either by the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or by the Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. Once the party seeking arbitration submits a dispute or claim to arbitration, the other party must submit to the arbitral body selected by the party seeking the arbitration.~~

~~(e) If the party seeking arbitration elects to arbitrate the dispute or claim at the Hong Kong International Arbitration Centre, then either party may apply to have such arbitration conducted in Shenzhen according to the securities arbitration rules of the Hong Kong International Arbitration Centre.~~

~~(f) The laws of the People's Republic of China shall govern the arbitration of disputes or claims described in clauses (a), (b) and (c) above, unless otherwise provided by law or administrative regulations.~~

~~(g) The award of the arbitral body is final and shall be binding on the parties thereto.~~

~~(h) This agreement to arbitrate is made by the director or officer with the company on its own behalf and on behalf of each shareholder.~~

~~(i) Any reference to arbitration shall be deemed to authorise the arbitral tribunal to conduct hearings in open session and to publish its award.~~

25.42 ~~[Repealed ●] A PRC issuer shall enter into a contract in writing with every supervisor containing at least the following provisions:—~~

~~(a) an undertaking by the supervisor to the PRC issuer to observe and comply with the Company Law, the Regulations and the articles of association and an agreement that the PRC issuer shall have the remedies provided in the articles of association and that neither the contract nor his office is capable of assignment;~~

Chapter 2 - Part A(5)  
Chapter 3 - Part B(1)

~~(b) an undertaking by the supervisor to the PRC issuer acting as agent for each shareholder to observe and comply with his obligations to shareholders stipulated in the articles of association; and~~

Chapter 3 - Part B(1)

~~(c) the arbitration clause set forth in rule 25.41(3), subject to necessary modifications.~~

Chapter 2 - Part A(3)

25.43 ~~[Repealed ●] All notices or other documents required under Chapter 17 to be sent by the PRC issuer to the Exchange or to holders of the PRC issuer's securities listed on GEM shall be in English with a Chinese translation or in Chinese with an English translation.~~

Chapter 4

## General

25.44 ~~[Repealed ●] References in Chapter 19 to an issuer's "accounts" shall mean, in the case of a PRC issuer, the latest published audited accounts or consolidated accounts of such PRC issuer which have been prepared in accordance with Hong Kong Financial Reporting Standards, International Financial Reporting Standards or China Accounting Standards for Business Enterprises as provided for in rule 18.04.~~

Chapter 4

...

## Appendix 1

### CONTENTS OF LISTING DOCUMENTS

#### Part A

#### Equity Securities

**In the case where listing is sought for equity securities of an issuer no part of whose share capital is already listed**

...

### Additional information on PRC issuers

(Paragraphs 57 to 68 apply to the PRC issuers only)

57. Where a public or private issue or placing of securities of the PRC issuer other than H shares is being made simultaneously with the issue of H shares in Hong Kong or is proposed to be made as part of such PRC issuer's share issue plan which was approved at the inaugural meeting or any shareholders' meeting of the PRC issuer:—

...

- (2) a statement of whether or not such issue plan has been approved by ~~the China Securities Regulatory Commission or such other competent state council securities regulatory authority~~ (or if no such approval is required, whether the PRC issuer has completed the filing of its issue plan with the China Securities Regulatory Commission where applicable) and the timetable for the share issues under such plan, and if such plan has not been approved or the requisite filing procedures have not been completed, when such approval or completion of the filing procedures is expected (as the case may be);

Chapter 2 -  
Part B

...

- (4) a description of the effect on the PRC issuer's statement of business objectives and financial condition (including profit forecast, if any) if such issue or placing of securities is not completed in the manner described in the listing document or if the approval or the completion of filing of the share issue plan referred to in (2) above is not approved does not take place by the expected date;

Chapter 2 -  
Part B

...

- (7) information concerning each legal person or individual expected to hold ~~domestic shares or foreign~~ shares other than H shares constituting 10 per cent or more of the issued share capital of the PRC issuer upon the completion of such issue or placing of ~~domestic shares or foreign~~ shares other than H shares, and the number of ~~domestic shares or foreign~~ shares other than H shares to be held by each such legal person or individual.

Chapter 2 -  
Part A(2)

...

59. Particulars of the quorum and voting requirements for general meetings of shareholders ~~and for separate meetings of holders of domestic shares and foreign shares (and, if applicable, H shares).~~

Chapter 2 -  
Part A(1)

...

62. ~~[Repealed ●] A statement of whether or not the PRC issuer has applied or intends to apply for the status of a sino-foreign investment joint stock limited company (中外合資股份有限公司) and whether or not the issuer is or expects to be subject to the PRC Sino-Foreign Joint Venture Law (中外合資經營企業法).~~

Chapter 4

...

65. ~~[Repealed ●] In an appropriately prominent place and manner in the listing document, the statements by the acquirer of shares required to be in a PRC issuer's listing document pursuant to rule 25.39.~~

Chapter 3 –  
Part B(1)

66. ~~[Repealed ●] A general statement on the front page of the listing document to the following effect:~~

Chapter 3 –  
Part B(4)

~~“The Company is incorporated, and its businesses are located, in the mainland of the People’s Republic of China (“Mainland”). Potential investors in the Company should be aware of the differences in the legal, economic and financial systems between the Mainland and Hong Kong, the Special Administrative Region of the People’s Republic of China (“HKSAR”) and that there are different risk factors relating to investment in Mainland incorporated businesses. Potential investors should also be aware that the regulatory framework in the Mainland is different from the regulatory framework in HKSAR and should take into consideration the different market nature of the shares of the Company. Such differences and risk factors are set out in the sections headed ‘\_\_\_\_’ on pages \_\_\_\_.”~~

67. ~~[Repealed ●] The risk factors section shall include, among other things, a brief description of:~~

- ~~(a) the PRC laws and regulations relevant to the business of the PRC issuer;~~
- ~~(b) the political structure and economic environment of the PRC;~~
- ~~(c) foreign exchange controls in the PRC and the exchange rate risk of the Renminbi;~~
- ~~(d) the different regulatory framework for PRC issuers listing outside the mainland of the PRC;~~
- ~~(e) specific risk factors related to the business of the PRC issuer and/or its products; and~~
- ~~(f) the law(s) governing the resolution of disputes arising from the PRC issuer's articles of association and the transfer of the PRC issuer's shares.~~

Chapter 3 –  
Part B(4)

68. ~~[Repealed ●] A description of applicable company law matters including material differences between the requirements of the PRC and of Hong Kong. Such description should include the following:~~

Chapter 3 –  
Part B(4)

- ~~(a) the quorum and voting requirements for general meetings of shareholders and for separate meetings of holders of domestic shares and foreign shares (and, if applicable, H shares);~~
- ~~(b) the PRC issuer's ability, by way of a special resolution in a general meeting, to issue, allot or grant up to 20 per cent of its existing share capital in domestic shares and/or foreign shares (and, if applicable, H shares) once every 12 months, without a separate vote by holders of foreign shares;~~
- ~~(c) the PRC issuer's ability to issue domestic shares and foreign shares (and, if~~

Chapter 2 –  
Part A(1)

Chapter 3 –  
Part B(4)

Chapter 2 –  
Part A(1)

Chapter 3 –  
Part A(1)

Chapter 2 –  
Part A(1)

~~applicable, H shares) pursuant to a share issue plan adopted at the inaugural meeting of the PRC issuer without a separate vote by holders of foreign shares;~~

~~(d) any right of action a shareholder may have against directors of the PRC issuer;~~

~~(e) the special features of arbitration; and~~

~~(f) the standard of shareholder protection, which is different from that generally available in Hong Kong.~~

Chapter 2 -  
Part A(3)

...

### **Attachment to Part A of Appendix 1**

Chapter 2 -  
Part A(4)

1. A summary of the constitutive documents required by rule 24.09(2) or 25.20(2) 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 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 issuer's or any of its subsidiaries' shares

- (i) summary
- (ii) differences

(f) disclosure of interests in contracts with the 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 the issuer to purchase its own shares

- (i) summary
  - (ii) differences
- (11) power of any subsidiary of the 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 issuer or the shareholders thereof.

## **Appendix 1**

### **CONTENTS OF LISTING DOCUMENTS**

#### **Part B**

#### **Equity Securities**



**In the case where listing is sought for equity securities of an issuer some part of whose share capital is already listed**

...

**Additional information on PRC issuers**

(Paragraphs 44 and 47 apply to PRC issuers only)

44. Where a public or private issue or placing of securities of the PRC issuer other than H shares is being made simultaneously with the issue of H shares in Hong Kong or is proposed to be made prior to the end of 3 months after the issue of the listing document in Hong Kong:—

...

- (5) information concerning each legal person or individual expected to hold ~~domestic shares or foreign~~ shares other than H shares constituting 10 per cent or more of the issued share capital of the PRC issuer upon the completion of such issue or placing of ~~domestic shares or foreign~~ shares other than H shares, and the number of ~~domestic shares or foreign~~ shares other than H shares to be held by each such legal person or individual.

Chapter 2 –  
Part A(2)

...

47. ~~[Repealed ●] In an appropriately prominent place and manner in the listing document, the statements by the acquirer of shares required to be in a PRC issuer's listing document pursuant to rule 25.39.~~

Chapter 3 –  
Part B(1)

...

# APPENDIX 11

## ADDITIONAL REQUIREMENTS IN RESPECT OF CERTAIN JURISDICTIONS

### Part C

#### THE PEOPLE'S REPUBLIC OF CHINA

#### THIS APPENDIX HAS BEEN REPEALED

Chapter 2 -  
Part A(4)

[Repealed ●]

~~Section 1. Additional required provisions for articles of association~~

~~Section 2. Modifications and additional requirements~~

#### ~~Section 1~~

#### ~~ADDITIONAL REQUIREMENTS FOR THE ARTICLES OF ASSOCIATION OF ISSUERS INCORPORATED IN THE PEOPLE'S REPUBLIC OF CHINA~~

~~(see rule 25.36)~~

~~In addition to the provisions of Appendix 3, the articles of association of issuers incorporated in the People's Republic of China must include:—~~

- ~~(a) 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 (the "Mandatory Provisions");~~
- ~~(b) in addition to article 36 of the Mandatory Provisions, a provision to the effect that the part of the register of holders of overseas listed foreign shares relating to holders of shares listed on the Exchange shall be maintained in Hong Kong;~~
- ~~(c) in addition to article 140 of the Mandatory Provisions, a provision to the effect that for its overseas listed foreign shares listed on the Exchange, the issuer shall appoint as receiving agents a company which is registered as a trust company under the Trustee Ordinance of Hong Kong;~~
- ~~(d) in addition to article 104 of the Mandatory Provisions, provisions that set out the voting procedures of the supervisory committee and must include provisions to the following effect:—~~
  - ~~(i) the election or removal of the chairman of the supervisory committee shall be decided by two-thirds or more of the supervisors; and~~
  - ~~(ii) decisions of the supervisory committee shall be made by the affirmative vote of two-thirds or more of the supervisors;~~

~~(e) in addition to article 148 of the Mandatory Provisions, provisions that set out the procedures for the change, removal and resignation of auditors and must include provisions to the following effect:—~~

~~(i) Where a resolution at a general meeting of shareholders is passed to appoint as auditor a person other than an incumbent auditor, to fill a casual vacancy in the office of auditor, to reappoint as auditor a retiring auditor who was appointed by the board of directors to fill a casual vacancy, or to remove an auditor before the expiration of his term of office, the following provisions shall apply:—~~

~~(A) A copy of the proposal shall be sent before notice of meeting is given to the shareholders to the person proposed to be appointed or the auditor proposing to leave his post or the auditor who has left his post (leaving includes leaving by removal, resignation and retirement).~~

~~(B) If the auditor leaving his post makes representations in writing and requests their notification to the shareholders, the issuer shall (unless the representations are received too late):—~~

~~(x) in any notice of the resolution given to shareholders, state the fact of the representations having been made; and~~

~~(y) send a copy of the representations to every shareholder entitled to notice of general meetings.~~

~~(C) If the auditor's representations are not sent under [article corresponding to (B) above] the auditor may (in addition to his right to be heard) require that the representations be read out at the meeting.~~

~~(D) An auditor who is leaving his post shall be entitled to attend:—~~

~~(x) the general meeting at which his term of office would otherwise have expired;~~

~~(y) any general meeting at which it is proposed to fill the vacancy caused by his removal; and~~

~~(z) any general meeting convened on his resignation;~~

~~and to receive all notices of, and other communications relating to, any such meeting, and to be heard at any such meeting which he attends on any part of the business of the meeting which concerns him as former auditor of the issuer.~~

~~(ii) An auditor may resign his office by depositing at the issuer's seat a notice in writing to that effect and containing:—~~

~~(A) a statement to the effect that there are no circumstances connected with his resignation which he considers should be brought to the notice of the shareholders or creditors of the issuer; or~~

~~(B) a statement of any such circumstances.~~

~~Any such notice shall terminate his office on the date on which it is deposited or on such later date as may be specified therein.~~

~~(iii) — Where a notice is deposited under [article corresponding to 1(e)(ii)], the issuer shall within 14 days send a copy of the notice to the competent authority. If the notice contained a statement under [article corresponding to 1(e)(ii)(B)], a copy of the notice shall also be sent to every person entitled to obtain a copy of the issuer's financial statements.~~

~~(iv) — Where the auditor's notice of resignation contains a statement under [article corresponding to 1(e)(ii)(B)], he may require the board of directors to convene an extraordinary general meeting of shareholders for the purpose of receiving an explanation of the circumstances connected with his resignation; and~~

~~(f) — a provision to the following effect:—~~

~~In addition to holders of other classes of shares, holders of domestic shares and overseas listed foreign shares are deemed to be different classes of shareholders; provided however that the special procedures for approval by separate class shareholders shall not apply to the following circumstances:—~~

~~(i) — where the issuer issues, upon approval by a special resolution of its shareholders in a general meeting, either separately or concurrently once every twelve months, not more than twenty per cent. of each of the existing issued domestic shares and overseas listed foreign shares of the issuer; or~~

~~(ii) — where the issuer's plan to issue domestic shares and overseas listed foreign shares on establishment is implemented within fifteen months from the date of approval by the China Securities Regulatory Commission or such other competent state council securities regulatory authority."~~

## **Section 2**

### **MODIFICATIONS AND ADDITIONAL REQUIREMENTS**

**(see rule 25.20)**

~~1. — A summary of the constitutive documents required by rule 25.20(2) 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:—~~

Chapter 2 -  
Part A(4)

~~(1) — directors~~

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

~~(i) — summary~~

~~(ii) — differences~~

~~(b) — power to dispose of the PRC 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 PRC issuer's or any of its subsidiaries' shares
  - ~~(i) — summary~~
  - ~~(ii) — differences~~~~
  
- ~~(f) — disclosure of interests in contracts with the PRC 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 the PRC issuer to purchase its own shares~~

~~(i) — summary~~

~~(ii) — differences~~

~~(11) — power of any subsidiary of the PRC 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 PRC issuer or the shareholders thereof.~~

~~2. The Exchange will require the formal application for listing to be accompanied by a copy of a letter to the PRC issuer from the PRC issuer's Hong Kong legal advisers confirming that they have reviewed the summaries of the relevant PRC law and the constitutive documents and that in their opinion, on the basis of the legal advice received from qualified PRC lawyers, the listing document sets out the material differences between Hong Kong law and applicable PRC law. The letter should also confirm that the constitutive documents contain provisions complying with the provisions of the GEM Listing Rules.~~

Chapter 3 -  
Part B(4)

Chapter 4

---

## **APPENDIX III: PRIVACY POLICY STATEMENT**

---

### **Privacy Policy Statement**

Hong Kong Exchanges and Clearing Limited, and from time to time, its subsidiaries (together the "**Group**") (and each being "**HKEX**", "**we**", "**us**" or "**member of the Group**" for the purposes of this Privacy Policy Statement as appropriate) recognise their responsibilities in relation to the collection, holding, processing, use and/or transfer of personal data under the Personal Data (Privacy) Ordinance (Cap. 486) ("**PDPO**"). Personal data will be collected only for lawful and relevant purposes and all practicable steps will be taken to ensure that personal data held by us is accurate. We will use your personal data which we may from time to time collect in accordance with this Privacy Policy Statement.

We regularly review this Privacy Policy Statement and may from time to time revise it or add specific instructions, policies and terms. Where any changes to this Privacy Policy Statement are material, we will notify you using the contact details you have provided us with and, where required by the PDPO, give you the opportunity to opt out of these changes by means notified to you at that time. Otherwise, in relation to personal data supplied to us through the HKEX website or otherwise, continued use by you of the HKEX website or your continued relationship with us shall be deemed to be your acceptance of and consent to this Privacy Policy Statement, as amended from time to time.

If you have any questions about this Privacy Policy Statement or how we use your personal data, please contact us through one of the communication channels set out in the "Contact Us" section below.

We will take all practicable steps to ensure the security of the personal data and to avoid unauthorised or accidental access, erasure or other use. This includes physical, technical and procedural security methods, where appropriate, to ensure that the personal data may only be accessed by authorised personnel.

Please note that if you do not provide us with your personal data (or relevant personal data relating to persons appointed by you to act on your behalf) we may not be able to provide the information, products or services you have asked for or process your requests, applications, subscriptions or registrations, and may not be able to perform or discharge the Regulatory Functions (defined below).

### **Purpose**

From time to time we may collect your personal data including but not limited to your name, mailing address, telephone number, email address, date of birth and login name for the following purposes:



1. to process your applications, subscriptions and registration for our products and services;
2. to perform or discharge the functions of HKEX and any company of which HKEX is the recognized exchange controller (as defined in the Securities and Futures Ordinance (Cap. 571)) ("Regulatory Functions");
3. to provide you with our products and services and administer your account in relation to such products and services;
4. to conduct research and statistical analysis;
5. to process your application for employment or engagement within HKEX to assess your suitability as a candidate for such position and to conduct reference checks with your previous employers; and
6. other purposes directly relating to any of the above.

### **Direct marketing**

Where you have given your consent and have not subsequently opted out, we may also use your name, mailing address, telephone number and email address to send promotional materials to you and conduct direct marketing activities in relation to HKEX financial services and information services, and financial services and information services offered by other members of the Group.

If you do not wish to receive any promotional and direct marketing materials from us or do not wish to receive particular types of promotional and direct marketing materials or do not wish to receive such materials through any particular means of communication, please contact us through one of the communication channels set out in the "Contact Us" section below. To ensure that your request can be processed quickly please provide your full name, email address, log in name and details of the product and/or service you have subscribed.

### **Identity Card Number**

We may also collect your identity card number and process this as required under applicable law or regulation, as required by any regulator having authority over us and, subject to the PDPO, for the purpose of identifying you where it is reasonable for your identity card number to be used for this purpose.

### **Transfers of personal data for direct marketing purposes**

Except to the extent you have already opted out we may transfer your name, mailing address, telephone number and email address to other members of the Group for the purpose of enabling those members of the Group to send promotional materials to you and conduct direct marketing activities in relation to their financial services and information services.

## **Other transfers of personal data**

For one or more of the purposes specified above, your personal data may be:

1. transferred to other members of the Group and made available to appropriate persons in the Group, in Hong Kong or elsewhere and in this regard you consent to the transfer of your data outside of Hong Kong;
2. supplied to any agent, contractor or third party who provides administrative, telecommunications, computer, payment, debt collection, data processing or other services to HKEX and/or any of other member of the Group in Hong Kong or elsewhere; and
3. other parties as notified to you at the time of collection.

## **How we use cookies**

If you access our information or services through the HKEX website, you should be aware that cookies are used. Cookies are data files stored on your browser. The HKEX website automatically installs and uses cookies on your browser when you access it. Two kinds of cookies are used on the HKEX website:

**Session Cookies:** temporary cookies that only remain in your browser until the time you leave the HKEX website, which are used to obtain and store configuration information and administer the HKEX website, including carrying information from one page to another as you browse the site so as to, for example, avoid you having to re-enter information on each page that you visit. Session cookies are also used to compile anonymous statistics about the use of the HKEX website.

**Persistent Cookies:** cookies that remain in your browser for a longer period of time for the purpose of compiling anonymous statistics about the use of the HKEX website or to track and record user preferences.

The cookies used in connection with the HKEX website do not contain personal data. You may refuse to accept cookies on your browser by modifying the settings in your browser or internet security software. However, if you do so you may not be able to utilize or activate certain functions available on the HKEX website.

## **Compliance with laws and regulations**

HKEX and other members of the Group may be required to retain, process and/or disclose your personal data in order to comply with applicable laws and regulations or in order to comply with a court order, subpoena or other legal process (whether in Hong Kong or elsewhere), or to comply with a request by a government authority, law enforcement agency or similar body (whether situated in Hong Kong or elsewhere) or to perform or discharge the Regulatory Functions. HKEX and other members of the Group may need to disclose your

personal data in order to enforce any agreement with you, protect our rights, property or safety, or the rights, property or safety of our employees, or to perform or discharge the Regulatory Functions.

### **Corporate reorganisation**

As we continue to develop our business, we may reorganise our group structure, undergo a change of control or business combination. In these circumstances it may be the case that your personal data is transferred to a third party who will continue to operate our business or a similar service under either this Privacy Policy Statement or a different privacy policy statement which will be notified to you. Such a third party may be located, and use of your personal data may be made, outside of Hong Kong in connection with such acquisition or reorganization.

### **Access and correction of personal data**

Under the PDPO, you have the right to ascertain whether we hold your personal data, to obtain a copy of the data, and to correct any data that is inaccurate. You may also request us to inform you of the type of personal data held by us. All data access requests shall be made using the form prescribed by the Privacy Commissioner for Personal Data ("**Privacy Commissioner**") which may be found on the official website of the Office of the Privacy Commissioner or via this link

<https://www.pcpd.org.hk/english/publications/files/Dforme.pdf>

Requests for access and correction of personal data or for information regarding policies and practices and kinds of data held by us should be addressed in writing and sent by post to us (see the "Contact Us" section below).

A reasonable fee may be charged to offset our administrative and actual costs incurred in complying with your data access requests.

### **Termination or cancellation**

Should your account or relationship with us be cancelled or terminated at any time, we shall cease processing your personal data as soon as reasonably practicable following such cancellation or termination, provided that we may keep copies of your data as is reasonably required for archival purposes, for use in relation to any actual or potential dispute, for the purpose of compliance with applicable laws and regulations and for the purpose of enforcing any agreement we have with you, for protecting our rights, property or safety, or the rights, property or safety of our employees, and for performing or discharging our functions, obligations and responsibilities.

### **General**

If there is any inconsistency or conflict between the English and Chinese versions of this Privacy Policy Statement, the English version shall prevail.

## **Contact us**

By Post:

Personal Data Privacy Officer  
Hong Kong Exchanges and Clearing Limited  
8/F., Two Exchange Square  
8 Connaught Place  
Central  
Hong Kong

By Email: [DataPrivacy@hkex.com.hk](mailto:DataPrivacy@hkex.com.hk)

## Hong Kong Exchanges and Clearing Limited

---

8/F, Two Exchange Square  
8 Connaught Place  
Central, Hong Kong

[hkexgroup.com](http://hkexgroup.com) | [hkex.com.hk](http://hkex.com.hk)

[info@hkex.com.hk](mailto:info@hkex.com.hk)  
T +852 2522 1122  
F +852 2295 3106