

AMENDED AND RESTATED
ADDENDUM TO
MEMORANDUM OF UNDERSTANDING
GOVERNING LISTING MATTERS

Securities and Futures Commission

and

The Stock Exchange of Hong Kong Limited

6th March 2000

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**AMENDED AND RESTATED
ADDENDUM TO MEMORANDUM OF UNDERSTANDING**

BETWEEN: Securities and Futures Commission (the “*SFC*”) of 12th Floor, Edinburgh Tower, The Landmark, Central, Hong Kong;

AND: The Stock Exchange of Hong Kong Limited (the “*SEHK*”) of One and Two Exchange Square, Central, Hong Kong.

1. REASONS FOR THE ADDENDUM

- 1.1 On 25 November 1991, the SFC and the SEHK entered into a *Memorandum of Understanding Governing Listing Matters* (the “*former MOU*”) under which the SEHK became solely responsible for the day-to-day administration of all listing related matters with respect to the stock market in Hong Kong known as the Unified Exchange.
- 1.2 In 1999, the SEHK established the Growth Enterprise Market (“*GEM*”). GEM is operated as an alternative market to the existing stock market operated by the SEHK (the “*Main Board*”) within the Unified Exchange. The SEHK also approved and adopted *Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited* (the “*GEM Listing Rules*”). The GEM Listing Rules apply only to matters relating to securities and issuers with securities listed on GEM. The SFC has, pursuant to Section 35 of the Stock Exchanges Unification Ordinance (Cap 361) (the “*Unification Ordinance*”), approved the GEM Listing Rules for the purpose of governing matters with respect to GEM.
- 1.3 The SFC and the SEHK have entered into an *Addendum to Memorandum of Understanding Governing Listing Matters* which took effect on 17th February 2000 (the “*former Addendum*”) under which the SEHK became solely responsible for the day-to-day administration of “*all listing related matters in relation to GEM*”, excluding those matters falling within the SFC’s listing related functions as set out in Appendix 7 of the former MOU.
- 1.4 On the date hereof, the SEHK has become a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited. In this connection the SEHK has adopted a new constitution, inter alia providing for its governing body to be a board of directors (the “*Board*”) in place of a *Council*, and has changed certain of its procedures for handling listing related matters in relation to GEM. The principal change to such procedures, which takes effect on the date hereof, provides that the

membership of the Listing Appeals Committee shall consist of the Chairman and two other members of the board of Hong Kong Exchanges and Clearing Limited instead of members of the Board.

- 1.5 On the date hereof, the SEHK has also revised certain of the GEM Listing Rules, which revisions have taken effect immediately. Such revisions reflect (i) the changes to the procedures referred to in paragraph 1.4 above, (ii) certain other changes to the organisation and mode of operation of the SEHK resulting from SEHK becoming a subsidiary of Hong Kong Exchanges and Clearing Limited (including those resulting from the separation of ownership of the SEHK from the right to trade on or through the markets operated by it, and (iii) provisions of the Exchanges and Clearing Houses (Merger) Ordinance (Ord. 12 of 2000). The SFC has on the date hereof pursuant to Section 35 of the Unification Ordinance approved the changes to the SEHK's constitution and the GEM Listing Rules referred to above.
- 1.6 On the date hereof, the SFC and the SEHK have also entered into an *Amended and Restated Memorandum of Understanding Governing Listing Matters* (the "*MOU*") to reflect the changes for the organisation and mode of operation of the SEHK referred to above and certain other changes to the SEHK's procedures for handling listing related matters in relation to the Main Board. The MOU, which takes effect on the date hereof, supersedes and replaces the former MOU, which shall have no further effect.
- 1.7 The SFC has agreed to the SEHK continuing to be solely responsible for the day-to-day administration of all listing related matters in relation to GEM, subject to :
 - (a) the SEHK introducing and entrenching revised rules, requiring the prior approval of the SFC, relating to the composition, powers, functions and procedures of the Listing Appeals Committee, the GEM Listing Committee (which term includes the GEM Listing (Review) Committee (as defined in the GEM Listing Rules)), and the GEM Listing Division of the SEHK; and
 - (b) the parties entering into, continuing to observe the provisions of, and performing their respective obligations under, the MOU and this *Amended and Restated Addendum to Memorandum of Understanding Governing Listing Matters* (the "*Addendum*").
- 1.8 The parties have agreed to enter into this Addendum so that the SEHK may continue to be solely responsible for the day-to-day administration of all listing related matters in relation to GEM and the SFC is better able to supervise and monitor ("*oversee*") the SEHK in the performance of its listing functions and responsibilities.

2. STATUS OF THE ADDENDUM

- 2.1 This Addendum is supplemental to and forms part of the MOU, and shall be read in conjunction with the MOU unless otherwise stated. The terms used in the MOU shall apply to this Addendum unless the context otherwise requires.
- 2.2 This Addendum relates exclusively to listing related matters in relation to GEM.
- 2.3 The parties acknowledge and agree that the entering into of this Addendum is in the interest of the market as a whole and in the public interest in that it will enable:
- (a) the SEHK to continue to be the primary front-line regulatory organisation responsible for the day-to-day supervision and regulation of companies having securities listed on GEM, their directors, significant shareholders, management shareholders and controlling shareholders (as such terms are defined in the GEM Listing Rules), sponsors and market users generally in respect of all listing related matters of GEM, thereby reducing, so far as is reasonably practicable, duplication between the parties;
 - (b) the SFC to discharge more effectively its statutory obligation to oversee the SEHK, among other things, in the performance of its GEM listing related functions and responsibilities to ensure, so far as reasonably practicable, that the SEHK discharges such functions and responsibilities impartially and effectively.
- 2.4 The functions and responsibilities of the SEHK with respect to listing related matters prior to the establishment of GEM were set out in Appendix 2 of the former MOU. With the establishment of GEM, the parties agreed that such functions and responsibilities of the SEHK shall extend to cover GEM and these are, for the avoidance of doubt, updated and more specifically set out in a revised Appendix 2 of the MOU and in *Appendix A* of this Addendum.
- 2.5 The parties acknowledge and agree that paragraph 3.1 of the MOU applies to GEM to the same extent and upon the same terms as it applies to the Main Board, *mutatis mutandis*.
- 2.6 This Addendum is a public document and the contents may be disclosed and copies may be furnished by either party to any third party without the consent of the other party.

3. SEHK'S OBLIGATIONS

- 3.1 The SEHK acknowledges and agrees that:

- (a) the Board has delegated to the GEM Listing Committee, with the power to sub-delegate, all of the SEHK's functions and powers in respect of all listing matters in relation to GEM, subject to the powers of review vested in the Listing Appeals Committee, and has delegated to the Listing Appeals Committee those powers of review, and, as a matter of policy in the interest of the market as a whole and the public interest, the Board has delegated such functions and powers specifically on terms that :
- (i) any variation or revocation of such delegation can be effected only by notice to the GEM Listing Committee and the SFC;
 - (ii) unless and until such delegation has been varied or revoked in accordance with its terms, the GEM Listing Committee shall have sole power and authority to act with respect to all listing matters in relation to GEM to the exclusion of the Board and any other parties, subject only to the powers of review vested in the Listing Appeals Committee; and
 - (iii) upon variation or revocation of such delegation the Board shall have regard to the rights of any third party which may have been created in reliance upon an earlier exercise of such powers by the GEM Listing Committee or the Listing Appeals Committee,

and, in any event, the SEHK agrees that the Board will only :

- (A) vary or revoke the delegation;
- (B) exercise its overriding right and power (if any) to review, vary or supplement decisions of the GEM Listing Committee, or the Listing Appeals Committee, or to remove any member from such Committee; or
- (C) exercise any of its other functions and powers in respect of any listing related matter in relation to GEM (other than its power to make or amend rules under the Unification Ordinance),

in exceptional circumstances and then only after having given the SFC and the GEM Listing Committee 7 days prior written notice, or such shorter notice period as is reasonable in the circumstances, of the Board's intention to do so;

- (b) SEHK will, pursuant to Chapter 3 of the GEM Listing Rules, ensure that the GEM Listing Committee will comprise a membership which will be broadly representative of the various securities industry groups with interests in the proper regulation of GEM, namely brokers, listed

companies and other market users, including merchant bankers, corporate finance lawyers and accountants, fund managers and other professionals who ordinarily give advice on listing matters, and industry groups with an interest in furthering technological developments in Hong Kong. The SEHK acknowledges that such a composition, the method of appointment and removal of members of the GEM Listing Committee, and the procedures governing the GEM Listing Committee are intended to ensure that the GEM Listing Committee will maintain and enhance the integrity, independence, effectiveness and professionalism of the SEHK in the performance of its listing functions and responsibilities in relation to GEM;

- (c) the GEM Listing Committee is responsible, for and on behalf of the SEHK, for the primary regulation of the market with respect to all listing related matters in relation to GEM and in discharging its regulatory responsibilities, the GEM Listing Committee shall act in the best interest of the market as a whole and in the public interest;
- (d) the GEM Listing Committee shall be responsible for overseeing the activities of its sub-delegates to ensure, so far as reasonably practicable, that the integrity and independence of the SEHK's listing procedures and process, and the standards of professionalism exercised in relation to such matters, are maintained at the highest levels, and, in so doing, the GEM Listing Committee is specifically empowered to review, of its own volition, any decisions of its sub-delegates and to give directions to, and impose restrictions on, its sub-delegates in respect of the way in which they are to carry out their delegated authority;
- (e) on the date hereof, the Board has adopted rules (being the revised GEM Listing Rules and the revised *Rules Governing the Proceedings of the GEM Listing Committee and the Listing Appeals Committee* (such latter Rules being the "**GEM Procedural Rules**" attached to this Addendum as **Appendix B**)), as referred to in paragraph 1.7(a) above, which have been approved by the SFC, and shall not amend such revised GEM Listing Rules or the GEM Procedural Rules without the prior written approval of the SFC;
- (f) it shall continue to comply fully with the provisions of, and to perform each of its obligations under, this Addendum in accordance with paragraph 3.1(c) of the MOU, unless and until the MOU or this Addendum is terminated pursuant to paragraphs 3.1(d) or 8.4 of the MOU or paragraph 7.4 of this Addendum.

3.2 The SEHK further acknowledges and agrees that, as part of its responsibilities as the day-to-day administrator of all listing related matters in relation to GEM, it shall:

- (a) ensure, so far as reasonably practicable, the due and proper observance by companies with securities listed on GEM, their directors, significant shareholders, management shareholders and controlling shareholders (as such terms are defined in the GEM Listing Rules), sponsors, authorized representatives and any other market users of the provisions of the GEM Listing Rules and of any obligations imposed on such persons under those Rules;
- (b) support in principle the concept of establishing and maintaining a public file equivalent to those found in other international markets on all listed companies and to conduct a detailed feasibility study to determine whether it is viable, and if so, to establish and maintain a public database containing a complete and up-to-date record of all such public information received by the SEHK regarding each company with securities listed on GEM, its management and substantial shareholders;
- (c) maintain a suitable financial statements review programme for GEM with a view to encouraging high standards of financial disclosure and detecting instances of improper financial disclosure;
- (d) maintain an adequate number of members of staff of the GEM Listing Division of the SEHK with an adequate level of professionalism and experience commensurate with their respective responsibilities and the overall responsibilities of the GEM Listing Division of the SEHK;
- (e) maintain proper files, records and systems of all transactions and other matters processed by the GEM Listing Division, the GEM Listing Committee and the Listing Appeals Committee of the SEHK; and
- (f) develop and maintain adequate procedural guidelines, checklists and reporting mechanisms for members of staff of the GEM Listing Division of the SEHK to assist them in the administration of the GEM Listing Rules and their other respective functions, powers and responsibilities.

4. SFC'S OBLIGATIONS

- 4.1 The SFC hereby acknowledges and agrees that the powers of the SFC under paragraph 3.1(d) of the MOU and paragraphs 5.3(c) and (e) of this Addendum shall be exercised by a meeting of the SFC and shall not be delegable, save that in the first instance an Executive Director of the SFC may decide to refer the matter to the SFC and thereupon he shall give to the SEHK written notice of his intention to do so and setting out the reasons therefor, and the SEHK may make representations in writing to the SFC in respect of such matter, and may also attend the meeting of the SFC to make any oral representations in respect of such matter, provided that where such matter requires urgent consideration by the SFC,

then any written representations which the SEHK may wish to make must be submitted to the SFC before any deadline set by the Executive Director of the SFC.

5. SFC OVERSIGHT

5.1 The SEHK acknowledges and agrees that the SFC is responsible, among other things, for overseeing the SEHK in the performance of its listing related responsibilities with respect to GEM and, to this end, the SEHK acknowledges and agrees that :

(a) Monthly Report :

the GEM Listing Division of the SEHK shall prepare a monthly report for the SFC, in the form attached as *Appendix C* (or in such other form as may be agreed), and containing such information as would enable the SFC to understand fully the activities of the SEHK with respect to its listing responsibilities in relation to GEM for the month in question. The monthly report shall have annexed to it a copy of all GEM Listing Committee agendas (without attachments) and minutes of GEM Listing Committee meetings approved by the Committee during the month, together with, if requested, any written reasons for a decision made by the GEM Listing Division, the Chief Executive of the SEHK or the GEM Listing Committee under the provisions of the GEM Listing Rules given in that month. The monthly report, together with attachments, shall be provided to the SFC on or before the 15th day of the month next following the month to which the report relates;

(b) Specific Reports :

in furtherance of the SFC's power pursuant to Section 48(2) of the Securities and Futures Commission Ordinance (the "*SFC Ordinance*"), by which the SFC may by written notice require the SEHK to supply it with such information as it may reasonably require for the performance of its functions under the relevant Ordinances, the SEHK shall comply with any such request by supplying such information as soon as possible, and in any event within 14 days, after the giving of the written notice by the SFC. The SFC has agreed that, in an effort to avoid undue duplication of responsibility and to facilitate the efficient operation of the SEHK's and the SFC's responsibilities, in the case of any transaction governed by the GEM Listing Rules, the SFC will endeavour to ensure that it will not, except in exceptional circumstances, give a written notice pursuant to Section 48(2) of the SFC Ordinance until after the GEM Listing Division, the Chief Executive or the GEM Listing Committee, as the case may be,

has made any ruling or decision (whether interim or final), in relation to the matter the subject of the written notice;

(c) SFC Audits :

the SEHK shall co-operate to the fullest extent with the SFC in all future audits or reviews of the listing functions of the SEHK in relation to GEM to be conducted by the SFC from time to time and provide SFC officers involved in such audits or reviews reasonable access during normal business hours to the SEHK's premises, personnel and all GEM Listing Committee and GEM Listing Division files, papers, correspondence, minutes and any other documentation whatsoever in its possession or power in relation to such of the SEHK's listing functions in relation to GEM and to make copies thereof available to SFC officers involved in the audit or review. The SFC has agreed to give the SEHK 14 days notice of the commencement of any audit or review and 24 hours notice of any interview required by the SFC with any member of staff of the GEM Listing Division. The audit and review cycle which applies immediately prior to the date hereof will be unaffected by the entering into of this Addendum. Accordingly, in the absence of any unforeseen circumstances, the first audit in relation to GEM will commence within a period of nine months after the date of the former Addendum; the first two audits will be conducted at nine monthly intervals and for any subsequent audits, at twelve monthly intervals;

(d) Forwarding of Documents :

the GEM Listing Division of the SEHK shall forward to the Corporate Finance Division of the SFC, at least once in every 7 day period :

- (i) three copies of any listing document issued by a new applicant or a listed issuer;
- (ii) three copies of any circular to holders of securities, annual report, half yearly report and quarterly report issued by a listed issuer;
- (iii) three copies of any announcement issued pursuant to the GEM Listing Rules by a new applicant or a listed issuer published on the GEM Website or in newspapers (if any);
- (iv) one copy of each signed Form 5A (Application for Listing – Equity securities (of an issuer no part of whose share capital is already listed) and Form 5C (Application for Listing – Debt securities) of the GEM Listing Rules received by the SEHK;

- (v) one copy of each signed Form G (Restrictions on disposals of shares by an initial management shareholder) and Form H (Restrictions on disposals of shares by a significant shareholder) of the GEM Listing Rules received by the SEHK;
- (vi) a list setting out all applications for admission to the list of GEM sponsors received by the SEHK during the preceding 7 day period, and separately, a list setting out all admissions granted by the SEHK to the list of GEM sponsors during the same period, in each case, containing a list of the principal supervisors and assistant supervisors and the conditions upon which admission is granted by the SEHK (if any) with respect to the sponsors admitted;
- (vii) one copy of each of the following signed forms of the GEM Listing Rules in relation to sponsors :
 - Form 7A (Application form)
 - Form 7B (Declaration by principal supervisor)
 - Form 7D (Review form for continuing eligibility)
 - Form 7E (Review form for principal supervisor)
 - Form 7I (Sponsor's declaration of compliance concerning a new applicant)

(e) Practice/Guidance Notes :

the SEHK shall forward to the SFC for its approval or otherwise, pursuant to the provisions of the Unification Ordinance, any practice note, guidance note or any other rules or requirements published by the SEHK intended to have mandatory effect or to be of general application in relation to or in connection with the performance of any of the SEHK's listing functions, powers or procedures (i.e. which constitutes a rule change) in relation to GEM and the SEHK shall, in relation to any such rule change, forward a draft copy thereof to the SFC for comment prior to approval by the SEHK and shall not publish, rely upon or impose on any person any such rules until they have been approved in writing by the SFC;

(f) Referrals to the GEM Listing Committee :

the GEM Listing Committee of the SEHK shall, if so requested by the SFC, consider or review any matter, including a previous decision of the GEM Listing Division, the Chief Executive of the SEHK or the GEM Listing Committee itself, provided that such request must be in writing setting out the reasons therefor and must be signed by the Executive Director of the Corporate Finance Division of the SFC, after having first consulted with and obtained the prior agreement of the Chairman of the SFC.

- 5.2 The parties acknowledge and agree that representatives from the Corporate Finance Division of the SFC and representatives from the GEM Listing Division of the SEHK shall meet every month, such meetings to be known as the “*SEHK-SFC (GEM) Liaison Committee Meetings*”, to discuss:
- (a) matters arising out of the minutes of the previous meeting;
 - (b) any matter arising out of the latest Monthly Report to the SFC prepared by the GEM Listing Division in accordance with the provisions of paragraph 5.1(a) above;
 - (c) matters relating to the regulation of listed companies, and oversight of the SEHK by the SFC with respect to listing related matters in relation to GEM; and
 - (d) any policy matters or other matters, including proposed rule changes, relating to any of the listing functions and responsibilities of the SEHK or the SFC in relation to GEM,

and that proper minutes shall be kept of such meetings.

- 5.3 Generally, and apart from observing all of the specific provisions of the MOU and this Addendum, the SEHK acknowledges and agrees that it shall :
- (a) use its best efforts to keep the SFC informed, as soon as reasonably practicable, of any applications, transactions or policy matters of a novel or potentially controversial or sensitive nature, or which are likely to involve any public policy implications, or which may affect the integrity and reputation of the market, and the SEHK may, to the extent that it considers it necessary or desirable, consult with the SFC in respect of the conduct of any such matter or in relation to any other matter whatsoever;
 - (b) inform the SFC of any application for listing by a new applicant or by a listed issuer which involves the listing of an issuer or business or type of security which the Senior Executive Director – Regulatory Affairs Group, the Executive Director – GEM Listing Division (if any) or the Chairman of the GEM Listing Committee reasonably believes is likely to involve any public policy implications;
 - (c) not list any securities on GEM if the SFC has requested in writing the SEHK not to list such securities on the grounds of public policy;
 - (d) inform the SFC of any application for admission as GEM sponsor by any person or party the admission of which may potentially affect the integrity or reputation of the market; and

- (e) not admit any person or party to the SEHK's list of sponsors for GEM if the SFC has requested the SEHK in writing not to admit such person or party on the ground that it is in the best interest of the market as a whole and in the public interest.

6. FUTURE POLICY DEVELOPMENT

- 6.1 The parties agree that paragraph 7.1 of the MOU applies to GEM to the same extent and upon the same terms as it applies to the Main Board, mutatis mutandis, with the exception of that part of Appendix 7 of the MOU which relates to authorised investment vehicles.

7. EFFECTIVE DATE AND TERMINATION

- 7.1 This Addendum has effect from the date hereof and supersedes and replaces the former Addendum, which shall have no further effect.
- 7.2 The parties agree to keep the operation of this Addendum under review and to consult with a view to improving its operation and resolving any matters.
- 7.3 This Addendum may be amended at any time by written agreement between the parties.
- 7.4 Subject to paragraph 3.1(d) of the MOU, this Addendum shall remain in full force and effect unless and until the parties agree in writing to terminate the MOU or the whole or any part of this Addendum.

DATED this 6th day of March 2000

SIGNED FOR AND ON BEHALF OF THE)
SECURITIES AND FUTURES COMMISSION)
BY *MR ANDREW SHENK*)
authorised so to do by resolution of the Securities and)
Futures Commission on the date hereof)



SIGNED FOR AND ON BEHALF OF THE STOCK)
EXCHANGE OF HONG KONG LIMITED)
BY *MR. ALEC TSWI*)
authorised so to do by resolution of the Board of the)
Stock Exchange of Hong Kong Limited on the date)
hereof)



SEHK LISTING RELATED FUNCTIONS AND RESPONSIBILITIES

The SEHK has the following listing related functions and responsibilities :

- (a) to establish a stock exchange and to provide, regulate and maintain facilities for conducting the business thereof;
- (b) to provide and operate a stock market and to promote and protect the interests of all members of the public having dealings on the SEHK or with members thereof;
- (c) to provide and promote a fair, orderly and efficient market for the trading of securities;
- (d) to establish and promulgate rules prescribing listing requirements for the quotation of securities on, and in respect of such other matters as are necessary or desirable for the proper and efficient operation and management of, the stock market;
- (e) to administer the SEHK Listing Rules and the GEM Listing Rules published by the SEHK fairly and in accordance with the general principles set out in Chapter 2 of the respective Rules and having regard to the best interest of each market and Hong Kong's stock market as a whole and in the public interest;
- (f) to ensure, so far as reasonably practicable, that persons administering the SEHK Listing Rules and the GEM Listing Rules are independent, professional and competent;
- (g) to establish a Listing Committee (with respect to the Main Board) and a GEM Listing Committee (with respect to GEM) comprising membership broadly representative of the various industry groups with interests in the proper regulation of each market and Hong Kong's stock market as a whole and with expertise in listing and corporate finance related matters to discharge all of the SEHK's listing functions and powers in relation to the Main Board and GEM impartially, independently and professionally; and
- (h) to establish fair and clear procedural rules governing the manner in which the SEHK will discharge all its listing functions and responsibilities.

**RULES GOVERNING THE PROCEEDINGS OF THE
GEM LISTING COMMITTEE AND THE LISTING APPEALS COMMITTEE**

**RULES GOVERNING THE PROCEEDINGS OF THE
GEM LISTING COMMITTEE**

(the “*GEM Procedural Rules*”)

In accordance with paragraph 3.1(e) of the Amended and Restated Addendum to Memorandum of Understanding Governing Listing Matters dated 6th March 2000, the Board has pursuant to the Articles of Association of the Exchange approved the following Rules for the regulation of the internal proceedings of the GEM Listing Committee. These Rules have also been approved by the Securities and Futures Commission under Section 35 of the Stock Exchanges Unification Ordinance, and any subsequent changes to these Rules must be approved in writing by the Securities and Futures Commission. These Rules take effect on 6th March 2000 and replace the former procedural rules having the same name.

1. Definitions

1.1 In these Rules the following terms, save where the context otherwise requires, have the following meanings:-

“**Board**” means the directors of the Exchange elected or appointed in accordance with the Articles of Association of the Exchange and, where the context so permits, any committee or sub-committee thereof;

“**business day**” means any day on which the Exchange is open for the business of dealing in securities;

“**Chief Executive**” means the person occupying the position of Chief Executive of the Exchange from time to time by whatever name such position is called;

“**Commission**” means the Securities and Futures Commission established under section 3 of the Securities and Futures Commission Ordinance;

“**Exchange**” means The Stock Exchange of Hong Kong Limited;

“**GEM**” means the Growth Enterprise Market operated by the Exchange;

“GEM Listing Committee” means the listing sub-committee of the Board appointed to discharge all the Board’s functions and powers in respect of all listing matters relating to GEM, subject to the powers of review vested in the Listing Appeals Committee referred to in the GEM Listing Rules;

“GEM Listing (Review) Committee” means the GEM Listing Committee, acting in its capacity to review its own decisions, as provided in the GEM Listing Rules; and references in these Rules to the “GEM Listing Committee” shall, unless the context otherwise requires, include the GEM Listing (Review) Committee;

“GEM Listing Rules” means the Rules Governing the Listing of Securities on GEM;

“listing” means the grant of a listing of and permission to deal in securities on the GEM;

“listing document” means a prospectus, a circular and any equivalent document (including a scheme of arrangement and introduction document) issued or proposed to be issued in connection with an application for listing;

“meeting” means a meeting of the relevant members convened to discharge any function of the GEM Listing Committee and includes any meeting which may alternatively be described as a hearing or proceeding or which uses another expression to describe any such function;

“member” means a member of the GEM Listing Committee; and

“Secretary” means the person referred to in Rule 12.1 of these Rules.

- 1.2 Where the context so permits or requires, words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders and vice versa.

2. GEM Listing Committee Meetings

- 2.1 Subject to these Rules, the GEM Listing Committee may meet for the despatch of business, adjourn and otherwise regulate its meetings in such manner as it thinks fit.

- 2.2 The GEM Listing Committee shall normally meet for the despatch of business on Tuesday of each week at 4.30 p.m. In addition, the Secretary may convene a further weekly meeting of the GEM Listing Committee where it is considered necessary. Such additional weekly meetings will normally be held on a Friday at 4.30 p.m. Provided that in the event of such meetings falling on a public holiday or otherwise, the meeting will be postponed to the next business day.

- 2.3 In the event of an emergency, the Secretary may convene additional meetings of the GEM Listing Committee as and when necessary.
- 2.4 For the purpose of assigning members to attend meetings, the Secretary shall divide all members, other than the Chief Executive and the Chairman and Deputy Chairman of the GEM Listing Committee, into two pools: "**Pool I**" and "**Pool II**". Each member in Pool I will be paired with another member of similar background in Pool II.
- 2.5 The Secretary shall prepare a schedule of meetings and send it to all members once every two months. The schedule will contain two lists setting out the members who are assigned to attend GEM Listing Committee meetings during the forthcoming two months period: the "**Preferred List**" and the "**Back-up List**". The Preferred List specifies the members who will be called on to attend a particular meeting (the "**Preferred Members**"). Members in the Preferred List may be drawn either from Pool I or Pool II referred to in Rule 2.4. The Back-up List specifies the members who will be called on to attend a meeting if a Preferred Member is not able to attend the meeting concerned (each member on such list being a "**Corresponding Member**"). Subject to Rule 2.6, a member will be on the Preferred List once every two meetings.
- 2.6 The Chairman and Deputy Chairman of the GEM Listing Committee and the Chief Executive will be called to attend every meeting and their names will be included in the Preferred List for every meeting.
- 2.7 The Secretary shall only call on a Corresponding Member to attend a meeting if the Preferred Member named in the Preferred List indicates to the Secretary that he will not be able to attend the meeting. A Corresponding Member with respect to a particular meeting shall not attend that meeting unless he is called upon by the Secretary to do so. Accordingly, if a Preferred Member is not able to attend a meeting, he must notify the Secretary that he will not be available to attend as soon as possible.

3. **Notice of Meetings**

- 3.1 Every member shall be entitled to receive notice of every meeting of the GEM Listing Committee and shall provide the Secretary with an address in Hong Kong at which notices may be served on him.
- 3.2 The Secretary shall inform members of a meeting either in writing or by telephone. Normally written notice of the meeting will be delivered by hand to the address provided to the Secretary two clear business days before the proposed meeting.

- 3.3 A notice of meeting shall specify the place, the day and the hour of the meeting and the general nature of any business to be considered. In the case of new listing matters, applications for admission as GEM sponsors and most policy matters, the notice shall normally also include a report and/or paper to be prepared by the GEM Listing Division and in the case of a new listing a copy of the relevant listing document.
- 3.4 Notice shall be deemed to have been served on a member upon the despatch of any notice properly carrying the address of the member provided pursuant to Rule 3.1.
- 3.5 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at the meeting.

4. Quorum

- 4.1 No business shall be transacted at any meeting unless a quorum of members is present at the time when the meeting proceeds to business and continues to be present until the conclusion of the meeting; save as herein otherwise provided, five members present in person shall be a quorum.
- 4.2 If the Chief Executive is present at a meeting of the GEM Listing Committee he may be counted in the quorum for the meeting (including a meeting at which the GEM Listing Committee is determining a matter in the first instance) except that he shall not be counted in the quorum for any meeting at which a decision of his, the GEM Listing Division or the GEM Listing Committee is under review. The Chief Executive may attend meetings of the GEM Listing Committee convened for such purpose and put forward his views (if any) on the matter under review but he shall not thereafter be entitled to participate in the deliberations of the GEM Listing Committee or to vote on such matters.
- 4.3 A meeting of the members of the GEM Listing Committee at which a quorum is present shall be competent to exercise all the powers and discretions then vested in the GEM Listing Committee.

5. Convenor of Meetings

- 5.1 The GEM Listing Committee shall have a convenor and a deputy convenor who shall both be nominated by the Listing Nominating Committee provided for in the GEM Listing Rules and shall be appointed by the Board. The convenor shall be the Chairman, and the deputy convenor shall be the Deputy Chairman, of the GEM Listing Committee.

6. Proceedings at Meetings

- 6.1 The Chairman of the GEM Listing Committee shall preside as Chairman of every meeting of the GEM Listing Committee, or if there is no such Chairman, or if he shall not be present within 5 minutes after the time appointed for the holding of the meeting or has declared a conflict of interest in a matter to be considered or has otherwise informed the Secretary of his intention not to attend the meeting, the Deputy Chairman of the GEM Listing Committee shall preside as chairman or, in his absence, the members present shall elect one of them to be chairman of the meeting.
- 6.2 If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to such other day and at such other time and place as the Secretary may determine.
- 6.3 The chairman of a meeting of the GEM Listing Committee may, with the consent of the relevant meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. It shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 6.4 Where the GEM Listing Committee is considering an application for listing from a new applicant, the GEM Listing Committee should normally invite the new applicant and/or its sponsor to make itself available to attend the meeting, but the GEM Listing Committee need not invite the new applicant or its sponsor into the meeting unless it wishes to directly question either. If a new applicant is invited to make itself available to attend, the new applicant may be accompanied by its directors, sponsor and/or proposed authorised representatives.

7. Votes of Members

- 7.1 Every member shall be entitled to one vote provided that at any meeting of the GEM Listing Committee at which a decision of the Chief Executive, the GEM Listing Division or the GEM Listing Committee is under review, the Chief Executive, even when he is present as a member of the relevant GEM Listing Committee, shall not be entitled to vote nor be entitled to participate in the deliberations, but he may attend the meeting and put forward his views (if any) on the matter under review.
- 7.2 Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the chairman of the meeting shall be entitled to a second or casting vote.

- 7.3 Any member who is unable to attend a meeting may convey his views and opinions to the meeting (either verbally or in writing) through the Chairman of the GEM Listing Committee or the Secretary, but such views shall not be binding on members who attend the meeting and shall not be counted in any voting by the persons present at the meeting.
- 7.4 Any resolution or decision duly passed at a meeting shall not be discussed or commented on by any member in public, irrespective of whether they were present at the meeting where such resolution or decision was made, except to the extent that the Chairman may publicly justify or defend the decision in any way he sees fit.
- 7.5 A resolution in writing signed by more than half of all the members shall be as valid and effective as if the resolution had been passed at a meeting duly convened and constituted provided that reasonable endeavours have been made to seek the approval from all the members.

8. Review Procedures

- 8.1 At any meeting held to review an earlier decision of the GEM Listing Committee, subject to the GEM Listing Rules, all of the members present at the second meeting must be persons who were not present at the first meeting.
- 8.2 Where the GEM Listing Committee rejects an application for listing by a new applicant or endorses, modifies or varies a GEM Listing Division decision to reject such an application, it will give its reasons in writing within the period specified in, and in accordance with the provisions of the GEM Listing Rules; and subject to the GEM Listing Rules, the new applicant must be given the right to have that decision referred for review.
- 8.3 Where the GEM Listing Committee:-
- (a) reviews a decision of the GEM Listing Division in respect of:-
 - (i) the termination of an authorised representative or a compliance officer under the relevant provisions of the GEM Listing Rules;
 - (ii) the rejection of an application to lift a suspension of dealings in the securities of an issuer where the suspension has been in place for more than 30 consecutive days;
 - (iii) the rejection of an application for a suspension of dealings in the securities of an issuer; or

- (iv) a decision to direct the resumption of dealings,
and endorses, modifies or varies the ruling of the GEM Listing Division;
- (b) upholds the rejection of an application for listing by a new applicant on the second review, solely on the grounds that the issuer or its business is not suitable for listing;
- (c) decides to cancel the listing of a listed issuer;
- (d) decides to reject any prospective sponsor's application for admission to the Exchange's list of sponsors or that any sponsor admitted to the Exchange's list of sponsors should be removed therefrom or that any sponsor admitted to the Exchange's list of sponsors should be regarded as ineligible to act in any particular case; or
- (e) imposes sanctions against any person in accordance with the GEM Listing Rules,

the GEM Listing Committee will give its reasons in writing within the period specified in, and in accordance with the provisions of, the GEM Listing Rules; and subject to the GEM Listing Rules, the person against whom the relevant decision is made shall be given the right to have that ruling referred for review.

- 8.4 In any disciplinary proceedings before the GEM Listing Committee and the GEM Listing (Review) Committee, the party who is the subject of such proceedings shall have the right to attend the meeting, to make submissions and to be accompanied by its professional advisers as provided under the GEM Listing Rules.
- 8.5 At any GEM Listing (Review) Committee hearing, the directors of a new applicant or a listed issuer (as the case may be), shall have the right to attend the hearing, to make submissions and to be accompanied by such persons as provided in the GEM Listing Rules; and a sponsor or authorised representative may also be accompanied by such persons as provided in the GEM Listing Rules.
- 8.6 In the case of a review hearing sought by a prospective sponsor or an admitted sponsor, a compliance officer or an authorised representative pursuant to the provisions in the GEM Listing Rules, the person concerned shall have the right to attend the review hearing, to make submissions and may be accompanied by a legal adviser as provided in those Rules.
- 8.7 Upon the receipt of the written request for a review of any decision of the GEM Listing Division or the GEM Listing Committee, the GEM Listing Committee or the GEM Listing (Review) Committee, as the case may be, will convene a hearing to review the matter in accordance with the procedures as prescribed by the

Secretary; provided that when the GEM Listing Committee or GEM Listing (Review) Committee considers that it is necessary to resolve an issue urgently, it may stipulate such time as may be necessary within which the relevant party should be informed as to the date for the review hearing.

- 8.8 The GEM Listing Committee or the GEM Listing (Review) Committee shall, if so requested by the Commission, consider or review any matter, including a previous decision of the GEM Listing Division, the Chief Executive or the GEM Listing Committee (as the case may be), provided that such request must be in writing setting out the reasons therefore, and must be signed by the Executive Director of the Corporate Finance Division of the Commission, after having first consulted with and obtained the prior agreement of the Chairman of the Commission.

9. Minutes of Meetings

- 9.1 The Secretary shall cause proper minutes of meetings of the GEM Listing Committee and all business dealt with thereat to be kept in English or Chinese.
- 9.2 In finalising the minutes of a meeting the Secretary shall have regard to any comments made by the members if such members were present at the meeting.
- 9.3 The proposed minutes recording a meeting shall be circulated by the Secretary in draft form to all members, whether they were present at the meeting or not, for approval at a subsequent meeting of the GEM Listing Committee.
- 9.4 The minutes of any meeting shall, if approved by the members and signed by the chairman of such meeting or by the presiding chairman, be prima facie evidence of the facts and decisions stated therein.

10. Conflicts of Interest

- 10.1 A member who is in any way, whether directly or indirectly, materially interested in a matter to be discussed at a meeting must declare any such material interest to the Secretary prior to the meeting or to those present at the meeting and, whenever appropriate and practicable, return all relevant papers to the Secretary as soon as he becomes aware of the conflict. If the member attends the meeting at which the matter is to be considered he must leave the meeting immediately when such matter comes up for discussion and only return after it has been dealt with.
- 10.2 A member who is in any way materially interested in a proposed matter may not vote in respect of any such matter in which he is so interested whether or not he has declared his interest, and if he shall vote on that matter, his vote shall not be counted, nor shall he be counted for the quorum present at the meeting, for the purposes of the matter in which he has a material interest.

10.3 The Secretary shall record all conflicts of interests so declared by a member in the relevant minutes.

11. Spokesperson for Listing Matters in relation to GEM

11.1 The Chairman of the GEM Listing Committee or the Chief Executive shall be the spokesperson for all listing matters in relation to GEM within the Exchange and, subject to the GEM Listing Rules, shall be the person to whom all enquiries or comments should normally be directed.

12. The Secretary

12.1 The GEM Listing Committee shall have a secretary who shall be the person occupying the position of the Senior Executive Director – Regulatory Affairs Group or Executive Director – GEM Listing Division from time to time, by whatever name such positions are called.

12.2 The Secretary shall be responsible for preparing the agenda, giving notice and taking minutes of every meeting in accordance with these Rules.

13. Bona fide Acts of Members

13.1 All bona fide acts of a member carried out pursuant to any resolution passed at a meeting of the GEM Listing Committee and any decisions of the GEM Listing Committee shall, as regards all persons dealing in good faith with the Exchange, notwithstanding that it be subsequently discovered that there was some defect in the convening of or the proceedings of the meeting at which such resolution or decision was passed, be deemed to be valid as if such meeting had been duly constituted and the proceedings thereat had been carried out in accordance with these Rules.

14. Conflicts between these rules and the GEM Listing Rules

14.1 If there is any inconsistencies between these Rules and the GEM Listing Rules, the GEM Listing Rules shall prevail.

RULES GOVERNING THE PROCEEDINGS OF THE
LISTING APPEALS COMMITTEE

(the “*GEM Procedural Rules*”)

In accordance with paragraph 3.1(e) of the Amended and Restated Addendum to Memorandum of Understanding Governing Listing Matters dated 6th March 2000, the Board has pursuant to the Articles of Association of the Exchange approved the following Rules for the regulation of the internal proceedings of the Listing Appeals Committee in so far as they relate to GEM. These Rules have also been approved by the Securities and Futures Commission under Section 35 of the Stock Exchanges Unification Ordinance, and any subsequent changes to these Rules must be approved in writing by the Securities and Futures Commission. These Rules take effect on 6th March 2000 and replace the former procedural rules having the same name.

1. **Definitions**

1.1 In these Rules the following terms, save where the context otherwise requires, have the following meanings:-

“**Board**” means the directors of the Exchange elected or appointed in accordance with the Articles of Association of the Exchange and, where the context so permits, any committee or sub-committee thereof;

“**Chief Executive**” means the person occupying the position of Chief Executive of the Exchange from time to time by whatever name such position is called;

“**Exchange**” means The Stock Exchange of Hong Kong Limited;

“**GEM**” means the Growth Enterprise Market operated by the Exchange;

“**GEM Listing Committee**” means the listing sub-committee of the Board appointed to discharge all the Board’s functions and powers in respect of all listing matters relating to GEM, subject to the powers of review vested in the Listing Appeals Committee; and which expression, includes the GEM Listing (Review) Committee as defined in the GEM Listing Rules;

“**GEM Listing Rules**” means the Rules Governing the Listing of Securities on GEM;

“**Listing Appeals Committee**” means the listing appeals sub-committee of the Board by whatever name it may be called from time to time;

"meeting" means a meeting of the relevant members convened to discharge any function of the Listing Appeals Committee and includes any meeting which may alternatively be described as a hearing or proceeding or which uses another expression to describe any such function;

"member" means a member of the Listing Appeals Committee; and

"Secretary" means the person referred to in Rule 9.1 of these Rules.

- 1.2 Where the context so permits or requires, words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders and vice versa.

2. Listing Appeals Committee Meetings

- 2.1 Subject to these Rules, the Listing Appeals Committee may meet for the despatch of business, adjourn and otherwise regulate its meetings in such manner as it thinks fit.

3. Notice of Meetings

- 3.1 A member may be informed verbally of the time, place and agenda of a meeting.

4. Quorum

- 4.1 No business shall be transacted at any meeting unless a quorum of members is present at the time when the meeting proceeds to business and continues to be present until the conclusion of the meeting; save as herein otherwise provided three members present in person shall be a quorum.
- 4.2 A meeting of the members of the Listing Appeals Committee at which a quorum is present shall be competent to exercise all the powers and discretions then vested in the Listing Appeals Committee.

5. Votes of Members

- 5.1 Every member shall be entitled to one vote and questions arising at any meeting shall be determined by a majority of votes of the members present.
- 5.2 A resolution in writing signed by all the members of the Listing Appeals Committee shall be as valid and effective as if the resolution had been passed at a meeting duly convened and constituted.

6. Review Procedures

- 6.1 Where a ruling of the GEM Listing Committee is under review by the Listing Appeals Committee, the Listing Appeals Committee shall ensure that the GEM Listing Division provides the parties with copies of any papers to be presented by it at the meeting, in advance of the review meeting.
- 6.2 In any disciplinary proceedings before the Listing Appeals Committee, the party who is the subject of such proceedings shall have the right to attend the meeting, to make submissions and to be accompanied by its professional advisers as provided under the GEM Listing Rules.
- 6.3 At any Listing Appeals Committee hearing, the directors of a new applicant or a listed issuer (as the case may be), shall have the right to attend the hearing, to make submissions and to be accompanied by such persons as provided in the GEM Listing Rules; and a sponsor or authorised representative may also be accompanied by such persons as provided in the GEM Listing Rules.
- 6.4 In the case of a review hearing sought by a prospective sponsor or an admitted sponsor, a compliance officer or an authorised representative pursuant to the provisions in the GEM Listing Rules, the person concerned shall have the right to attend the review hearing, to make submissions and may be accompanied by a legal adviser as provided in those Rules.

7. Minutes of Meetings

- 7.1 The Secretary shall cause proper minutes of meetings of the Listing Appeals Committee and all business dealt with thereat to be kept in English or Chinese.
- 7.2 The proposed minutes recording a meeting shall be circulated by the Secretary in draft form to all members for approval at a subsequent meeting of the Listing Appeals Committee.
- 7.3 The minutes of any meeting shall, if approved by the members and signed by the chairman of such meeting or by the presiding chairman, be prima facie evidence of the facts and decisions stated therein.

8. Conflicts of Interest

- 8.1 A member who is in any way, whether directly or indirectly, materially interested in a matter to be discussed at a meeting (otherwise than as a member of the board of directors of Hong Kong Exchanges and Clearing Limited and, where

applicable, of the Board) must declare any such material interest to the Secretary prior to the meeting or to those present at the meeting and return all relevant papers to the Secretary as soon as he becomes aware of the conflict. If the member attends the meeting at which the matter is to be considered he must leave the meeting immediately when such matter comes up for discussion and only return after it has been dealt with.

- 8.2 A member who is in any way materially interested in a proposed matter (otherwise than as a member of the board of directors of Hong Kong Exchanges and Clearing Limited and, where applicable, of the Board) may not vote in respect of any such matter in which he is so interested whether or not he has declared his interest, and if he shall vote on that matter, his vote shall not be counted, nor shall he be counted in the quorum present at the meeting, for the purposes of the matter in which he has a material interest.
- 8.3 The Secretary shall record all conflicts of interests so declared by a member in the relevant minutes.

9. The Secretary

- 9.1 When considering matters relating to GEM, the Listing Appeals Committee shall have a secretary who shall be the person occupying the position of the Senior Executive Director – Regulatory Affairs Group from time to time, by whatever name called.
- 9.2 The Secretary shall be responsible for preparing the agenda, giving notice and taking minutes of every meeting in accordance with these rules.

10. Bona fide Acts of Members

- 10.1 All bona fide acts of a member carried out pursuant to any resolution passed at a meeting of the Listing Appeals Committee and any decisions of the Listing Appeals Committee shall, as regards all persons dealing in good faith with the Exchange, notwithstanding that it be subsequently discovered that there was some defect in the convening of or the proceedings of the meeting at which such resolution or decision was passed, be deemed to be valid as if such meeting had been duly constituted and the proceedings thereat had been carried out in accordance with these Rules.

11. Conflicts between these Rules and the GEM Listing Rules

- 11.1 If there is any inconsistencies between these Rules and the GEM Listing Rules, the GEM Listing Rules shall prevail.

SEHK MONTHLY REPORT TO SFC RELATING TO GEM

1. Equity Securities

1.1 New Applicants - Active

- a. Name of Applicants
- b. Method of Listing (Sub/Sale/I/P)
- c. Minimum/Maximum amount of funds to be raised
- d. Date of listing application (5A)
- e. Date of listing approval
- f. Forms Attached (Y/N) - (5A/5E)
- g. Expected Date of Dealing
- h. Type of Business
- i. Novel (Y/N)
- j. PRC shareholders/background (Y/N)
- k. Names of sponsor and lead managers

1.2 New Applicants - Inactive

- a. Name of Applicants
- b. Method of Listing (Sub/Sale/I/P)
- c. Minimum/Maximum amount of funds to be raised
- d. Date of listing application (5A)
- e. Date of listing approval
- f. Forms Attached (Y/N) - (5A/5E)
- g. Expected Date of Dealing
- h. Type of Business
- i. Novel (Y/N)
- j. PRC shareholders/background (Y/N)
- k. Names of sponsor and lead managers

1.3. Listed Issuers

- a. Name of Issuer
- b. Method of listing (Sub/Sale/P/R/O/cap/con/others)
- c. Minimum/Maximum amount of funds to be raised
- d. Date of listing application (5B)
- e. Date of listing approval
- f. Type of securities
- g. Forms attached (Y/N) – (5B/5E)
- h. Expected date of dealings

2. Debt Securities

2.1 New Applicants

- a. Name of debt instrument
- b. Name of applicant and issuer listed or to be listed on GEM
- c. Name of guarantor, if any
- d. Method of listing
- e. Date of listing application (5C)
- f. Date of listing approval
- g. Minimum/Maximum amount of funds to be raised
- h. Forms attached (Y/N) - (5C/5E)
- i. Expected date of dealing
- j. Type of business
- k. Novel (Y/N)
- l. PRC shareholders/background
- m. Name of sponsor and lead managers

2.2 Listed Issuers

- a. Name of debt instrument
- b. Name of listed issuer and the debt issuer if different
- c. Name of guarantor, if any
- d. Method of listing
- e. Date of listing application (5C)
- f. Date of listing approval
- g. Minimum/Maximum amount of funds to be raised
- h. Forms attached (Y/N)- (5C/5E)
- i. Expected date of dealing
- j. Type of business
- k. Novel (Y/N)
- l. PRC shareholders/background
- m. Name of sponsor and lead managers

3. Applications rejected

- 3.1 Name of any new applicant and/or listed issuer whose application or preliminary enquiry was rejected and brief reasons therefor.

4. Sponsors

4.1 Initial admission to the list of Sponsors

- a. Name of sponsor applicants
- b. Date of application (7A)

- c. Date of approval/ rejection
- d. Forms attached (Y/N) – (7A/7B)
- e. Effective Date
- f. Capacity admitted (Sponsor/Co-sponsor or other conditions)

4.2 Subsequent review of sponsors' eligibility

- a. Name of sponsors
- b. Date of application (7D)
- c. Date of approval/ rejection. Forms attached (Y/N) – (7D/7E)
- e. Anniversary date of initial admission or last review
- f. Capacity admitted (Sponsor/Co-sponsor or other conditions)

4.3 Name of any prospective sponsor whose application or preliminary enquiry was rejected and brief reasons thereof

4.4 Sponsors removed or suspended (stating reason for such removal or suspension).

4.5 Details of waivers granted and/or rejected in relation to Sponsor.

5. Policy Matters

5.1 Brief details of any policy issues arising and the manner in which such issues were dealt with (e.g. policy paper prepared for GEM Listing Committee, GEM Listing Committee paper delivered and the GEM Listing Committee decision made, proposed consultation, proposed practice/guidance notes, executive decision taken).

- (a) In relation to changes of GEM Listing Rules
- (b) Others

6. Matters of Sensitive Nature

6.1 Brief details of any application, transaction or issue of a novel, difficult, complex or potentially controversial or sensitive nature, or one which is likely to involve any public policy implications or which may affect the integrity and reputation of GEM and the way such application, transaction or issue is proposed to be or was resolved.

- (a) In relation to new applicant, listed issuer and connected persons
- (b) In relation to Sponsors
- (c) Others

7. Corporate Governance

- 7.1 Appointees to the board of directors of listed company who are considered not suitable for appointment by the SEHK and reasons therefor.
- 7.2 Financial advisers, sponsor (in relation to a particular transaction only), compliance officers, authorised representatives, auditors or any other experts who are considered not acceptable to the SEHK, details of the application, transaction or circumstances involved and the reasons for the SEHK's position (for sponsors, please refer to paragraph 4).

8. Waivers

- 8.1 Details of any waiver granted by the GEM Listing Division, GEM Listing Committee and the Listing Appeals Committee under the GEM Listing Rules. Please disclose all waivers granted in the preceding month setting out the following details:
- a. Rules waived
 - b. Time of application (before/ after listing)
 - c. Type of transaction (on-going or one-off)
 - d. Period of the waiver
 - e. Parties involved
 - f. Details and background of the transaction
 - g. Basis for granting or rejecting the waiver application
 - h. Conditions imposed
 - i. Details of any departure from adopted waiver policy
 - j. Responsible GEM staff

9. Very Substantial Transactions and Reverse Takeovers

- 9.1 The name of the listed issuer and other parties involved in any transaction falling under the GEM Listing Rules relating to very substantial acquisition and reverse takeover.

10. Reviews

- 10.1 Brief details of any request to review a decision of the GEM Listing Division, Chief Executive, the GEM Listing Committee (including the GEM Listing (Review) Committee) or the Listing Appeals Committee.

10.2 Brief details of any request by an aggrieved person for the GEM Listing Committee to review, of its own volition, any decision of the GEM Listing Division or the Chief Executive.

11. Suspensions, Withdrawals of Listings and Directions to Resume Share Trading

11.1 Brief details (date, reason and duration) of suspension of share trading, any withdrawals of listing and direction to resume share trading exercised by the SEHK

- (a) Suspension
 - Company Name
 - Date from (dd/mm/yy)
 - To (dd/mm/yy)
 - Reason
- (b) Withdrawal of listing
 - (i) Types of securities
 - (ii) Effective date of withdrawal
 - (iii) Reason
- (c) Direction to resume share trading
 - (i) Date
 - (ii) Brief details

12. Enforcement Actions

12.1 Brief details of compliance and enforcement actions taken by the GEM Listing Division and any investigations commenced, concluded or in progress.

- a. On listed issuers and connected persons
- b. On Sponsors
- c. Others

13. Complaints

13.1 List of complaints referred by the SFC and received directly by SEHK in relation to GEM listing matters.

- a. On listed issuers and connected persons

- b. On Sponsors
- c. Others

14. Financial Statements

- 14.1 A list of all financial statements reviewed by the Accountancy Unit (stating name of listed issuer, year/period end date, name of auditors, date of last review) and a summary of any problematic area encountered.

ANNEXURE

[Attaching all GEM Listing Committee agendas and minutes approved during the month.]