Project on the Use of Plain Language

How to create a clear prospectus

Hong Kong
January 1998
Contents

Using the samples .............................................................................................................. i
Comments welcomed ......................................................................................................... iii

1. Sample plain language prospectus ................................................................. 1
   1.1 First page ........................................................................................................ 2
   1.2 Expected timetable ......................................................................................... 4
   1.3 Contents ......................................................................................................... 6
   1.4 Summary of this prospectus ........................................................................ 10
   1.5 Definitions .................................................................................................... 12
   1.6 Risk factors for investors ............................................................................ 14
   1.7 Information about this prospectus and the new issue ................................ 16
   1.8 Directors and parties involved in the new issue ......................................... 20
   1.9 Corporate information ................................................................................ 22
   1.10 Business .................................................................................................... 24
   1.11 Directors, management and staff ............................................................... 26
   1.12 Substantial shareholder(s) .......................................................................... 28
   1.13 Share capital ............................................................................................... 30
   1.14 Financial information ................................................................................ 34
   1.15 Future plans ................................................................................................. 38
   1.16 Underwriting ............................................................................................... 40
   1.17 Structure of the new issue ......................................................................... 42
   1.18 How to apply for new shares ..................................................................... 44
   1.19 Appendices ................................................................................................. 52
   1.20 Statutory and general information ............................................................. 54

2. Sample white application form ............................................................................ 59
Using the Samples

The Working Group on Plain Language has now completed the second stage of the Project on Plain Language.

In its review of the language and content of prospectuses, the Working Group identified the following problems:

- contents are poorly organised, and not presented in a logical order;
- information is repeated unnecessarily;
- information is included for historical reasons, not because it is meaningful to investors; and
- the style of writing is tedious and legalistic.

The Working Group suggests that prospectuses could be improved in the following ways:

- simplifying the first page of a prospectus so it contains only essential and important information;
- drafting a useful summary of the information in the prospectus;
- arranging the content into a logical order;
- grouping like information together under descriptive headings;
- where like information cannot easily be grouped together, using cross-references to guide readers;
- eliminating unnecessary repetition;
- writing in plain language.

The Working Group has created a sample plain language prospectus to demonstrate the ways prospectuses can be improved, and to help you to incorporate these improvements into your prospectus. This sample sets out the order in which you should present your information, and suggests plain language wording for most standard sections. Of necessity, the Working Group has had to leave to you the hardest but most important task of clearly telling potential investors about the opportunities and risks of investing in your company. However, the Working Group’s handbook "How to create clear announcements" includes plain language principles which are equally relevant to writers of prospectuses.

The sample prospectus is not exhaustive, and cannot cover every situation. The Working Group has created a very simple example for you to build on, depending on your company’s particular situation. The Group chose the following characteristics for its sample:

- Manufacturing company, principally operating in Hong Kong;
- Incorporated in Bermuda;
- New issue, offered for subscription in Hong Kong and Bermuda only;
- Minimal Mainland China issues.
Obviously, you will need to include more or different information to meet your circumstances.

The Working Group has also prepared a sample white application form to be used in conjunction with the sample prospectus.

**Adoption of these changes by the SFC and the Exchange**

The changes suggested by the Working Group are of three types:

1. **Changes to format:**
   The main sections of the prospectus have been expanded, and the usual order changed. These changes were agreed after much debate in the Working Group, and after input from the market. The Working Group believes that it is essential that prospectuses be consistent, so that investors can find the same information in the same order in every prospectus.

2. **Changes to language:**
   The Working group has suggested plain language wording for several standard sections, and for the sample white application form. This wording is a suggestion only, and is not the only wording that will be acceptable to the SFC or the Exchange.

3. **Suggested changes to content:**
   The Working Group has recommended amendments to the Listing Rules that, if accepted and implemented, would significantly reduce the size of the appendices to a prospectus. These recommendations will be put to the Listing Committee. If accepted, they will take time to implement. Until the Listing Rules are changed, you must continue to meet the existing requirements.

Of course, you must make sure that your prospectus meets all regulatory requirements.
Comments welcomed

We welcome suggestions and comments from you on the sample prospectus and application form. They can be sent to:

Working Group on Plain Language
c/o Corporate Finance Division
Securities and Futures Commission
12th Floor, Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

Or sent by email to:

cf@hksfc.org.hk

The English version of this Handbook is also available on the SFC’s Internet website at:

1. Sample plain language prospectus

The text and format of the sample prospectus is set out on the odd-numbered pages. Commentary and explanatory notes are set out on the even-numbered pages.
1.1 First Page

The first page of a prospectus is often crowded with information. Putting information on the first page suggests that it is very important, but there is often so much information here that the really important has to be highlighted by some printing device, such as bold or coloured print.

The first page is just that - the first of many pages in your prospectus. The first page in our sample has been cut down to its essentials:

1. **What has to be there**
   - The warning at the top of the page, the Stock Exchange disclaimer, and the information about what documents have been registered;

2. **What your reader wants to know up front**
   - The size of the issue and the issue price per share;

3. **What you want to be there**
   - Your name, and the names of your sponsor and underwriters.

The next most important piece of information which usually appears on this page is the date and time when the application lists close. In our sample, this appears in the expected timetable on the second page.

We did not think that any of the other statements which commonly appear on this page were important enough to remain on our sample page. Instead we moved them to the section headed "Information about this prospectus", or deleted them as unnecessarily repetitive of information found elsewhere in the prospectus.

Of course, there may be other information you want to include on this page. Before you add anything to this page, however, we suggest that you ask yourself whether it would be helpful to your readers to see it here, or whether it could wait until a later page.
Important:
If you are in any doubt about this prospectus, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

Company Name in Full
(Incorporated in Bermuda with limited liability)

New Issue of Shares

Number of new shares: XX,000,000
Issue price: HK$XX per share
Nominal value: HK$0.XX each

Sponsor and Lead Manager

Principal Underwriters

Co-Underwriters

The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in the appendix headed "Documents delivered to the Registrars of Companies", has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies Ordinance of Hong Kong. A copy of this prospectus, together with copies of the application forms, has also been filed with the Registrar of Companies in Bermuda. The Securities and Futures Commission and the Registrar of Companies in Hong Kong and the Registrar of Companies in Bermuda take no responsibility as to the contents of this prospectus or any other document referred to above.

[Date of issue]
1.2 Expected Timetable

Because the period of time between the release of the prospectus and the closing of the offer is so short, this information should be given to readers early in the prospectus.
### Expected timetable

<table>
<thead>
<tr>
<th>Event</th>
<th>Date/Time</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Last time to lodge <strong>pink</strong> application forms</td>
<td>Time and date</td>
<td>3rd Sch (B) A1-15(2)(f)</td>
</tr>
<tr>
<td>Last time to lodge <strong>white</strong> and <strong>yellow</strong> application forms</td>
<td>Time and date</td>
<td>A1-A15(2)(k)</td>
</tr>
<tr>
<td>Application lists open</td>
<td>Time and date *</td>
<td></td>
</tr>
<tr>
<td>Application lists close</td>
<td>Time and date</td>
<td></td>
</tr>
<tr>
<td>Results and basis of allotment of new shares to be published in the</td>
<td>Date</td>
<td>A1-22</td>
</tr>
<tr>
<td>[English language newspaper] and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>the [Chinese language newspaper] on or before</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dispatch of share certificates and refund cheques</td>
<td>Date</td>
<td></td>
</tr>
<tr>
<td>Dealings in new shares start</td>
<td>Date</td>
<td></td>
</tr>
</tbody>
</table>

* **Note:** If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force on [date application lists open], the application lists will not open on that day. See the paragraph headed “The effect of bad weather on the opening of the application lists” in the section “How to apply for new shares” - pXX.

For details of the structure of the new issue, including conditions, see the section “Structure of the new issue” - pXX.
1.3 Contents

Different readers approach a prospectus in different ways: some readers want to know the figures first, others go straight to the parties involved. By putting the contents page at the beginning of the prospectus (instead of after the Summary), it is useful to all readers. We wanted the contents page to be easy to find, and to work as an easy reference to the contents of the prospectus.

There are some points to note about our contents page:

- We have put the warning to investors about relying on information and representations at the top of this page. We believe this warning is important and should come at the beginning of the prospectus, and not be buried in the "Preliminary" section.

- We have changed the usual order in which information appears, and have introduced some new headings and sub-headings. These changes have been made with your readers in mind.

Perhaps the most significant change we have made is to break up the main section of the prospectus - usually headed "Information relating to the Group", or "Particulars of the Group" - into three separate sections headed "Business", "Directors, management and staff", and "Financial information". We believe this change helps meet two of our aims: to group like information together and to avoid unnecessary repetition.
Contents

You should rely only on the information contained in this prospectus and the application forms to make your investment decision. [Company name] has not authorised anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on by you as having been authorised by [Company name], the Underwriters, the directors of either of them, or any other person involved in the new issue.

Summary of this prospectus
Definitions
Risk factors
Information about this prospectus and the new issue
Directors and parties involved in the new issue
Corporate information
Business
  Industry overview and background
  Group structure
  Description of the business
  History and development
  Products
  Production facilities
  Raw materials
  Design and product development
  Production processes
  Quality control
  Research and technological development
  Sales and marketing
  Intellectual property
  Competition
  Related party transactions

Directors, Management and Staff
  Directors
  Senior managers
  Staff

Substantial shareholder(s)
Share capital
Financial information
  Indebtedness
  Liquidity, financial resources and capital structure

Page 7
Contents

Trading record
Property and other assets
Profit forecasts, dividends and working capital
Distributable reserves
Adjusted net tangible assets
No material change

Future plans
Future plans and prospects
Use of proceeds

Underwriting
Underwriters
Underwriting arrangements and expenses

Structure of the new issue
Price payable on application
Conditions of the new issue
Preference to employees
Offer mechanism - basis of allocation of new shares
Over subscription

How to apply for new shares

Appendices
1. Accountant's report
2. Profit forecast
3. Property valuation
4. Summary of the constitution of the company and Bermuda company law
5. Statutory and general information
6. Documents delivered and available for inspection
1.4 Summary of This Prospectus

The Summary is a very important part of the prospectus: most readers read it, and many readers do not read anything else. Any improvements to your Summary will automatically improve your communication with your readers.

We suggest that you think of your readers when preparing your Summary. Ask yourself: What do they need to be told here? How can I best present that information to them?

What should a summary do? To quote from the US Securities and Exchange Commission's draft Plain English Handbook:

...A summary should orient the reader, highlighting the most important points that are presented in greater detail in the prospectus. Many summaries now seem as long as the prospectus itself and merely consist of selected paragraphs copied straight from the body of the prospectus. Reading the same material two or three times can bore and even trouble readers. Most readers skip over paragraphs if they think they've read them before...

Because your Summary will be written after you have written the main text of your prospectus, there is a real temptation to just lift paragraphs from the body of the prospectus and place them in your Summary. For the sake of your readers, you should try to avoid this. One way to write an actual summary, and not just repeat information, is to present the information in the Summary in a different form. For example, you could present the key facts in a point or note form, or in a table. You could also use cross-references to your main text to avoid repetition.

Our summary also includes two "warning boxes". The first box takes the usual statement "The following information is derived from, and should be read in conjunction with, the full text of this prospectus", puts it in plain language and highlights it for the reader. We have introduced the second box because we believe there should be a cross-reference to risk factors in the Summary.
Summary of this prospectus

This summary aims to give you an overview of the information contained in this prospectus. Because this is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the new shares.

Give a brief outline of the most important parts of the prospectus from an investor's point of view. It should be a summary, not a repetition of the prospectus.

Your summary should include key facts about the following:

- The company’s business;
- The new issue statistics (could include underwriters and their commission);
- Reasons for the issue and the use of the proceeds;
- Trading record;
- Profit forecast, if applicable.

Include detailed cross-references to the main text of the prospectus.

Also, your summary must have a cross-reference to anything material in your Accountant’s report.

You should also refer to the risks of this investment. We suggest you could say something like this:

There are risks associated with any investment. Some of the particular risks in investing in the new shares are set out in the section: “Risk factors”. You should read this section carefully before you decide to invest in the new shares.
1.5 Definitions

Where possible, the meaning of a word or term should be plain from the context in which it appears. Readers do not like to have to constantly refer to a definition section in order to understand what they are reading.

If your company's business involves a technical process, and your readers need to understand that process before they can make an informed investment decision, it may be useful for this section to include a glossary of technical terms. As with definitions, a glossary should not be used more than is necessary. You should try to explain any technical terms in context.

If you do need to include terms in a glossary, you may want to use some textual device to show this, such as giving the defined word in italics. Alternatively, if there are only a few technical terms, you may be able to give an explanation of each term in a footnote on the page where the term is first used.
Avoid unnecessary definitions.
If you use simple words in their most common sense, you will not need to define them.
1.6 Risk Factors

This section is one of the most important for investors.

The purpose of including a statement of the risk factors associated with investing in your company is to enable a reader to form a real opinion of the investment. As with the Summary, your statement of the risks of this investment should focus on what your readers need to know, and how you can best present that information to them.

If the risks are many, you should take care to point out the most significant ones, or present them in order from the most to the least important. You should not bury a real risk among many trivial ones.

We suggest that you use descriptive headings and sub-headings to break up the text.

Because we have referred to the section on risk factors in the Summary, we have not included here the usual warning "Prospective purchasers of the shares offered by this prospectus should consider carefully all of the information set out in this prospectus and, in particular, should evaluate the following risks in connection with an investment in the Company".
Risk factors for investors

Your description of the risks should be accurate and to the point. You should aim to highlight all the risks of buying the new shares.

This section must not contain statements or views of directors which play down the risks of the investment.

Risks associated with [Company name]:

Industry risks:

[Other relevant risks]:
For example, any social, economic or political risks associated with investing in your company.
1.7 Information about This Prospectus and the New Issue

We have called this section "Information about this prospectus and the new issue" because it is a more meaningful heading than "Preliminary". We have also introduced descriptive headings for each paragraph.

We have suggested plain language versions for these paragraphs, where permitted.

We have also included here some of the paragraphs which we removed from the first page.
Information about this prospectus and the new issue

Directors' responsibility for the contents of this prospectus

This prospectus includes particulars given in compliance with the Companies Act, the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), the Securities (Stock Exchange Listing) Rules 1989 (as amended) and the Listing Rules for the purpose of giving information to the public with regard to [Company name]. The directors collectively and individually accept full responsibility for the accuracy of the information contained in this prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement in this prospectus misleading.

Consent of the Bermuda Monetary Authority

The Bermuda Monetary Authority has given its consent to the issue of the new shares on the terms of this prospectus and the application forms and to the issue of the shares upon the exercise of the options granted under the Share Option Scheme and, subject to certain conditions, the issue of further shares up to the total amount of the authorised share capital of [Company name] referred to in the section headed “Share capital” - see pXX. In granting such permission and in accepting this prospectus for filing, neither the Bermuda Monetary Authority nor the Registrar of Companies in Bermuda accepts any responsibility for the financial soundness of the Group or for the correctness of any of the statements made or opinions expressed in this prospectus or in the application forms.

Fully underwritten

This new issue is an offer by [Company name] of XX,000,000 new shares for subscription at a price of $X.00 per share, payable in full on application. This prospectus and the application forms set out the terms and conditions of the new issue.

The new issue is sponsored by [Sponsor] and fully underwritten by the Underwriters. For full information about the underwriters and the underwriting arrangements, see the section headed “Underwriting”, pXX.

New shares to be offered in Bermuda and Hong Kong only

No action has been taken in any jurisdiction other than Bermuda or Hong Kong to permit the offering of the new shares or the distribution of this prospectus. This prospectus is not an offer or invitation in any jurisdiction in which it is not authorised, and is not an offer or invitation to any person to whom it is unlawful to make an unauthorised offer or invitation.
Information about this prospectus and the new issue

Application for listing on the Stock Exchange

[Company name] has applied to the Listing Committee of the Stock Exchange for listing of and permission to deal in its existing shares, the new shares, and any shares which may be issued because of the exercise of options under the Share Option Scheme.

No part of [Company name’s] share or loan capital is listed or dealt in on any other stock exchange. At present, [Company name] is not seeking or proposing to seek listing or permission to deal on any other stock exchange.

Professional tax advice recommended

If you are unsure about the taxation implications of subscribing for the new shares, or about purchasing, holding or dealing in them, you should consult an expert.

[Company name], the Underwriters, their directors and any other person involved in the new issue do not accept responsibility for any tax effects on, or liability of, any person resulting from subscribing for, or purchasing, holding or disposing of the new shares.

Stamp duty

Dealings in shares registered on [Company name’s] Hong Kong branch register of members will be subject to Hong Kong stamp duty.

Procedure for application for new shares

The procedure for applying for new shares is set out at page XX of this prospectus and on the relevant application form.

Structure of the new issue

Details of the structure of the new issue, including conditions, are set out at page XX of this prospectus.
1.8 Directors and Parties Involved in the New Issue

This section contains important information, and should appear early in the prospectus. However, too often this information is spread out unnecessarily over several pages.

You should present this information in as few pages as possible. One way to do this is to write each name and address on one line only, another is to use two or three columns per page.

Under the headings "Directors" and "Underwriters", you could include cross-references to the later sections which give further details.
Directors and parties involved in the new issue

Set out the names and addresses of the:

**Directors:** (include nationality)  
Executive directors:  
Non-executive directors:  

**Sponsor and Manager:**  

**Underwriters:**  

**Legal advisers:**  
To [Company name]:  
To the Underwriters:  

**Auditors and reporting accountants:**  

**Property valuers:**  

**Receiving bankers:**
1.9 Corporate Information

Again, you should present this information in as few pages as possible.
Corporate information

Registered office:  

Head office and principal place of business:  

Company secretaries:  

Authorised representatives:  

Bermuda resident representatives:  

Principal bankers:  

Principal share registrar and transfer office:  

Hong Kong branch share registrar and transfer office:  

Source

A1-43

A1-6

A1-42

A1-3

A1-3
1.10 Business

We have taken the information usually found under the general heading "Information about the Group", and arranged it in three separate sections. "Business" is the first of these. In this section you should group all the information about the business of your company and your Group, as distinct from management and staffing issues, and financial information.

There are numerous specific requirements in the Listing Rules and the Companies Ordinance which set out the information you must include here, as well as the general requirement that you must inform your reader about this investment. Our sample headings are for a manufacturing company, and are merely to illustrate the type of information we would include in this section. Our order of contents is also only a suggestion. It may be that, for you, it will be more logical to present your information in a different order. All we ask is that, whatever order you use, you concentrate on grouping like information together and avoiding unnecessary repetition, and that you use descriptive headings and subheadings to break up your text.

This section is often unnecessarily long. The information included under the heading "Industry overview and background", for example, should be introductory, and should only include what your readers need to know. Your description of your business should also only include necessary information. If your company's business is one which most readers do not know much about, diagrams or charts and a glossary of technical terms may help them to understand it. But you should only use them if they will actually help your readers to decide whether or not to invest. If this technical information is not relevant to the investment decision, do not include it. Too often prospectuses include lengthy descriptions of production processes, often accompanied by detailed diagrams and flow charts and glossaries of technical terms, which do not help with the actual decision of whether or not to invest in the shares being offered.

For example, if your manufacturing company produces a final product for sale, your readers will not need detailed descriptions of how that product is produced. But if your manufacturing company is engaged in part only of a production process, then you may need to describe to your readers exactly what part you perform, and the extent to which you rely on other parties, so your readers can make an informed decision whether to invest in your shares. Even in this case, you should keep your description brief, and limit your use of diagrams etc to what is necessary or helpful. We suggest that the text and the graphics together should not take up more than two to three pages.
We recommend that you group your description of the business of your company in a section called “Business”.

For a manufacturing company, the following headings are commonly used. We recommend that you also use meaningful sub-headings to break up the text of the longer sections.

Industry overview and background:

Group structure:

Description of the business:

History and development

Products:

Production facilities:

Raw materials:

Design and product development:

Production processes:

Quality control:

Research and technology development:

Sales and marketing:

Intellectual property:

Note: A cross reference to any trademarks set out in the “Statutory and General” appendix would be useful here.

Competition:

Related party transactions:
1.11 Directors, Management and Staff

The biographical details of the directors need not include their addresses or nationalities, as these have already been given in the section "Directors and parties involved in the new issue".
Directors, management and staff

Directors:

Senior management

Staff:

Sub-headings for this section could include:

Overview of staff numbers

Benefit schemes
(Include details of pension scheme and provision of staff quarters)

[Company name’s] relationship with staff

Share Option Scheme

Source

A1-41
3rd Sch (6)

A1-41

A1-28(7)

A1-44, A1-28(7)
LR Chapter 17
1.12 Substantial Shareholder(s)

This information is usually only found in the "Statutory and General" section. It is important to many readers, and deserves its own section in the body of the prospectus.

If the structure of a substantial shareholding is complicated, a chart will be very useful.
After the completion of the new issue (but without taking into account shares which may be taken up under the new issue) the only persons directly or indirectly interested in 10% or more of the voting power at any general meeting of [Company name] will be:

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of shares</th>
<th>Percentage of voting power</th>
</tr>
</thead>
</table>

Source  
3rd Sch (30)  
A1-45
1.13 Share Capital

This is a standard section. We have created a plain language version of the notes, and included headings.
Share capital

Authorised share capital:

X,000,000 shares  $ X,000,000

Issued shares:

Y,000,000 shares in issue at the date of this prospectus  $ Y,000,000

Shares to be issued:

Z,000,000 shares to be issued under the new issue  $ Z,000,000

Total:

Y+Z,000,000 shares  $ Y+Z,000,000

Notes:

Assumptions
This table assumes the new issue becomes unconditional.
It takes no account of any shares which may be issued under the Share Option Scheme, or under the general mandate (see below), or which may be bought back by [Company name] (see below).

Ranking
The new shares will rank equally with all shares now in issue or to be issued, and will qualify for all dividends or other distributions declared, made or paid after the date of this prospectus.

Share Option Scheme
[Company name] has conditionally adopted a Share Option Scheme. A summary of the main terms of the scheme is set out in the section headed “Share Option Scheme” in the “Statutory and General” appendix, p XX.

Under the scheme, employees and executive directors of the Group may be given options which entitle them to subscribe for shares representing up to a maximum of 10% of the issued share capital of [Company name] from time to time (not counting shares which may be issued under the Scheme).

General mandate to issue new shares
If the new issue becomes unconditional, the directors have been granted a general unconditional mandate to allot, issue and deal with shares with a total nominal value of not more than the sum of:
1. 20% of the total nominal amount of the share capital of [Company name] issued and to be issued (as set out in the above table) and;
2. the total amount of the share capital of [Company name] bought back by [Company name] (if any).

This mandate does not entitle the directors to allot, issue or deal with shares under a rights issue, scrip dividend scheme or similar arrangement, or on the exercise of options granted under the Share Option Scheme.

This mandate will expire:
- at the end of [Company name’s] next annual general meeting; or
- at the end of the period within which [Company name] is required by law or its bye-laws to hold its next annual general meeting; or
- when varied or revoked by an ordinary resolution of its shareholders in general meeting;
whichever is the earliest.
Share capital

For further details of this general mandate, see the subsection headed “Procedures at [Company name’s] special general meeting on DDMMYY” in the “Statutory and General” appendix, p XX.

General mandate to repurchase shares

If the new issue becomes unconditional, the directors have been granted a general unconditional mandate to exercise all the powers of [Company name] to buy back shares with a total nominal value of not more than 10% of the total nominal amount of the share capital of [Company name] issued and to be issued (as set out in the above table).

This mandate only relates to repurchases made on the Stock Exchange, or on any other stock exchange on which the shares are listed (and which is recognised by the SFC and the Stock Exchange for this purpose), and which are in accordance with the Listing Rules. A summary of the relevant Listing Rules is set out in the subsection headed “Repurchase by [Company name] of its own securities” in the “Statutory and General” appendix, p XX.

This mandate will expire:

- at the end of [Company name’s] next annual general meeting; or
- at the end of the period within which [Company name] is required by law or its bye-laws to hold its next annual general meeting; or
- when varied or revoked by an ordinary resolution of its shareholders in general meeting;

whichever is the earliest.
1.14 Financial Information

In this section we have combined the "pro forma" financial information ("Indebtedness", and "Liquidity, financial resources and capital structure"), with the financial information usually included in the general section "Particulars of the Group". We have also put the statement of "no material change" in this section.

It lessens the feeling of repetition if you group together all the financial information about your company.
Financial information

We suggest that you group all the financial information about the company in this section.

We recommend that you use descriptive headings and sub-headings to break up the information presented in this section. Of course, the headings used will depend upon the information being given, but we have suggested some common topics below.

Source
Generally A1-32 - 40
A1-32
A1-36
3rd Sch (23) & (24)

Indebtedness:
Borrowings
Security
Disclaimer
Principal shareholder’s release from guarantees

Liquidity, financial resources and capital structure:
Net current assets
Borrowings and bank facilities
Working capital
Directors’ opinion of the net current asset position

Trading record:
Summary of combined results of the Group
Turnover and profit for the past three years
Tax rate
Year ended 31 December 199W
Year ended 31 December 199X
Year ended 31 December 199Y
Six months to 30 June 199Z

Property and other assets:
Property owned in Hong Kong SAR
Property owned in Mainland China
Property leased in Hong Kong SAR

A1-39 & Chapter 5
3rd Sch (34)
Financial information

Property leased in Mainland China
Property valuation
[Other valuations]

Profit forecast, dividends and working capital: A1-34(2)
Profit forecast
Dividends
Working capital

Distributable reserves: A1-33(5)

Adjusted net tangible assets: A1-21

No material change: A1-38

We suggest that you put the statement that there has been no material adverse change in the financial position or prospects of the company since the end of the last accounting period here, rather than in the "Statutory and General" appendix.
1.15 Future Plans

You could include any forward looking information about your company in this section.
Future plans

Future plans and prospects: A1-34

Use of proceeds: A1-48
3rd Sch (7)
1.16 Underwriting

To avoid the feeling of repetition, we have combined the details of the underwriters with the information about the underwriting arrangements usually found in the “Statutory and General” section.
Underwriting

Underwriters:

Give names.

Underwriting arrangements and expenses:

Underwriting agreement

Grounds for termination

Undertakings

Commission

Underwriter’s interest in [Company name]

Source

A1-15(2)(d)

LR 10.07

A1-13,
3rd Sch (14)
1.17 Structure of the New Issue

There is a trend to include this section in prospectuses for more complex new issues. We believe it is of use in all situations.

We have included a plain language version of the "Conditions of the new issue" as part of this section.

You may need to include additional information, for example, if your issue is part of a global offer.
Structure of the new issue

Price payable on application:
Issue price of $X plus 1% brokerage and a 0.013% Stock Exchange transaction levy. A total of $XX per new share.

Conditions of the new issue:
Acceptance of your application for new shares is conditional upon:

1. **Listing**
   The Listing Committee granting listing of and permission to deal in [Company name’s] issued shares and the new shares on or before [date]; and

2. **Underwriting agreement**
   The obligations of the Underwriters under the underwriting agreement becoming unconditional, and not being terminated, on or before [date]. Details of the underwriting agreement, its conditions and grounds for termination, are set out in the section headed “Underwriting” - see p XX.

If these conditions are not fulfilled on or before [date], your application money will be returned to you, without interest. The terms on which your money will be returned to you are set out under the heading “Refund of your money” on the application form.

In the meantime, your money will be held in one or more separate bank accounts with the receiving bankers or other licensed bank or banks in Hong Kong.

Preference to employees:
Up to X million new shares (10% of the new issue) are available for subscription by employees of [Company name] or its subsidiaries.

Offer mechanism - basis of allocation of new shares:
Give details of the basis on which the shares will be allocated, for example, as per the SFC and SEHK joint announcement dated 22 May 1997 on Allocation of shares in initial public offerings.

Over subscription:
Allocation of new shares to investors under the new issue will be based solely on the level of valid applications received. The basis of allocation may vary, depending on the number of new shares validly applied for by each applicant, but will otherwise be made on a strictly pro-rata basis. However, this may involve balloting, which would mean that some applicants may be allotted more shares than others who have applied for the same number of new shares and that applicants who are not successful in the ballot may not receive any new shares.

[Other]:
1.18 How to Apply for New Shares

This section contains important information for readers, but is often repetitive of, and not always consistent with, the application forms.

We have prepared a sample white application form, and have included with that form all the information on how to complete the form and the effect of completing it, and information about the allotment of shares and payment of refunds. If this information is included with the form, then the purpose of this general section in the prospectus is to tell applicants:

- which form to use;
- where to collect the form;
- how to fill in the form and pay for their shares;
- the time to apply;
- when dealings in the shares will commence;
- that the shares will be admitted to CCASS.

This general section must also include statements required by the Companies Ordinance.

We have prepared a plain language version of this section which covers these topics. If the circumstances of your issue are different, you will have to change our standard wording. You must also make sure that any changes are reflected in your application forms.
How to apply for new shares

Which application form to use
Use a white application form if you want the new shares issued in your own name.
Use a yellow application form if you want the new shares issued in the name of HKSCC Nominees Limited and deposited directly into CCASS.
Use a pink application form if you are an employee of [Company name] or its subsidiaries and want your application to be given preferential consideration. Up to X million new shares (10% of the new issue) are available to employees of [Company name] or its subsidiaries on this basis.
Note: The new shares are not available to the directors or chief executive of [Company name] or existing beneficial owners of shares, or associates of any of them (as “associates” is defined in the Listing Rules).

Where to collect the application forms
You can collect a white application form and a prospectus from:
[Names and addresses]
You can collect a yellow application form and a prospectus from:
[Names and addresses]
You can collect a pink application form from the company secretary of [Company name]:
[name and address]

How to complete the application form
There are detailed instructions on each application form. You should read these instructions carefully. If you do not follow the instructions your application may be rejected.
If your application is made through a duly authorised attorney, [Company name] and [Sponsor] as its agent may accept it at their discretion, and subject to any conditions they think fit, including evidence of the authority of your attorney.

How many applications may you make?
There are only two situations where you may make more than one application for shares:
1. If you are a nominee, you may lodge more than one application in your own name on behalf of different owners. In the box on the application form marked “For nominees” you must include:
   • an account number; or
   • some other identification code
How to apply for new shares

for each beneficial owner. If you do not include this information, the application will be treated as being for your benefit.

2. If you are an employee and apply on a pink application form, you may also apply for new shares on a white or yellow application form.

Otherwise, multiple applications are not allowed.

All of your applications will be rejected as multiple applications if you, or you and joint applicants together:

- make more than one application on a white or yellow application form;
- make more than one application on a pink application form;
- apply on one white or yellow application form for more than 50% of the shares being offered for public subscription; or
- apply on one pink application form for more than 100% of the shares being offered to employees on a preferential basis.

All of your applications will also be rejected as multiple applications if more than one application is made for your benefit. If an application is made by an unlisted company and

- the only business of that company is dealing in securities; and
- you exercise statutory control over that company

then the application will be treated as being for your benefit.

Unlisted company means a company with no equity securities listed on the Stock Exchange.

Statutory control means you:

- control the composition of the board of directors of the company; or
- control more than half the voting power of the company; or
- hold more than half the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

How much are the new shares?

The issue price of the new shares is HK$X each. You must also pay brokerage of 1% and a Stock Exchange transaction levy of 0.013%. This means that for every X,000 shares you will pay HK$XX. The application forms have tables showing the exact amount payable for multiples of shares.

You must pay the issue price, brokerage and the transaction levy in full when you apply for the shares.

If your application is successful, brokerage is paid to members of the Stock Exchange, and the transaction levy is paid to the Stock Exchange.
How to apply for new shares

Employees - time for applying for new shares

Completed pink application forms, with payment attached, must be returned to the company secretary by X p.m. on DDMMYY.

Members of the public - time for applying for new shares

Completed white or yellow application forms, with payment attached, must be lodged by 12 noon on DDMMYY, or, if the application lists are not open on that day, then by 12 noon on the day the lists are open.

Your completed application form, with payment attached, should be deposited in the special collection boxes provided at any of the branches of the Blank Bank, Limited or Other Bank Limited listed on page X of this prospectus at the following times:

- Tuesday DDMMYY - 9 a.m. to 4 p.m.
- Wednesday DDMMYY - 9 a.m. to 4 p.m.
- Thursday DDMMYY - 9 a.m. to 4 p.m.
- Friday DDMMYY - 9 a.m. to 12 noon

The application lists will be open from 11.45 a.m. to 12 noon on [day] DDMMYY.

Effect of bad weather on the opening of the application lists

The application lists will not open if there is:

- a tropical cyclone warning signal number 8 or above, or
- a “black” rainstorm warning

in force at any time between 9 a.m. and 12 noon on DDMMYY. Instead they will open between 11.45 a.m. and 12 noon on the next business day which does not have either of those warnings in force at any time between 9 a.m. and 12 noon.

Business day means a day that is not a Saturday, Sunday or public holiday.

Circumstances in which you will not be allotted new shares

Full details of the circumstances in which you will not be allotted new shares are set out in the notes attached to the application forms, and you should read them carefully. You should note in particular the following two situations in which shares will not be allotted to you:

- If your application is revoked:

  By completing an application form you agree that you cannot revoke your application before DDMMYY. This agreement will take effect as a collateral contract with [Company name], and will become binding when you lodge your application form. This collateral contract will be in consideration of [Company name] agreeing that it will not offer any new shares to any person before DDMMYY except by this prospectus.
How to apply for new shares

You may only revoke your application earlier than DDMMYY if a person responsible for this prospectus under s.40 of the Companies Ordinance gives a public notice under that section which excludes or limits the responsibility of that person for this prospectus.

If your application has been accepted, it cannot be revoked.

- **If the allotment of shares is void:**
  Your allotment of shares will be void if the Listing Committee does not grant permission to list the new shares either:
  
  - within 3 weeks from the closing of the application lists; or
  - within a longer period of up to 6 weeks if the Listing Committee notifies [Company name] of that longer period within 3 weeks of the closing of the lists.

Commencement of dealings in the new shares

Dealings in the shares is expected to commence on DDMMYY.

Shares will be traded in board lots of X,000 each.

New shares will be eligible for CCASS

If the Stock Exchange grants the listing of and permission to deal in the new shares, the new shares will be accepted as eligible securities by Hongkong Clearing for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the shares or on any other date Hongkong Clearing chooses. Settlement of transactions between members of the Stock Exchange is required to take place in CCASS on the second business day after any trading day.

All necessary arrangements have been made for the new shares to be admitted into CCASS.
1.19 Appendices

We have included as Appendix 6 "Documents delivered and available for inspection". This is important information, so we have moved it from the "Statutory and General" section.
Appendices

1. Accountant's report
   3rd Sch (31), (32), (33), (42) & (43)
   A1-35 & 37
   Chapter 4
   A1-34(2)

2. Profit forecast
   A1-39, Chapter 5
   3rd Sch (34), (42)
   &(46)

3. Property valuation
   App 3, A1-7
   3rd Sch (5), (20)
   &(22)

4. Summary of the constitution of the company and Bermuda
   company law

5. Statutory and general information
   see following pages

6. Documents delivered and available for inspection
1.20 Appendix 5: Statutory and General Information

We have introduced descriptive headings and sub-headings which, where possible, reflect the headings used in the body of the prospectus. This has let us group like information together, and minimise the feeling of repetition. Cross-references to the relevant sections and paragraphs of the prospectus would also be helpful.
Appendix 5: Statutory and general information

These headings and sub-headings are suggestions only.

Further information about [Company name]:  
Incorporation  
A1-5, A1-29, 3rd Sch (29)
Changes in share capital  
A1-26, 3rd Sch (11)
Procedures at [Company name’s] special general meeting on DDMMYY  
Corporate reorganisation
Changes in share capital of subsidiaries  
A1-26
Repurchase by [Company name] of its own securities  
[Other]

Further information about the business:
Summary of material contracts  
A1-52, 3rd Sch (17)
Intellectual property  
A1-28(4)
[Other]  eg, information about principal Mainland China joint ventures

Further information about directors, management and staff:
Directors:
Disclosure of interests  
A1-45
Particulars of service contracts  
A1-46(1), 3rd Sch (19)
Directors’ remuneration  
A1-46(2), (3)
Interests of directors in the share capital of [Company name] after the new issue  
A1-45(1)
Personal guarantees  
3rd Sch (19)
Agency fees or commissions received  
A1-13, 3rd Sch (14)
Related party transactions
Disclaimers  
[Other]

Share option scheme:  
Summary of terms  
A1-27, 3rd Sch (10)
Who may join
# Appendix 5: Statutory and general information

- Price of shares
- Maximum number of shares
- Time of exercise of option
- Rights are personal to grantee
- Rights on ceasing employment
- Rights on death
- Rights on dismissal
- Effect of alterations to capital
- Rights on a general offer
- Rights on winding up
- Rights on a compromise or arrangement
- Ranking of shares
- Period of option scheme

Present status of the scheme

*Other*

## Other information:

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<th>Topic</th>
<th>Reference</th>
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</thead>
<tbody>
<tr>
<td>Estate duty and tax indemnity</td>
<td>A1-10</td>
</tr>
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<td>Litigation</td>
<td>A1-40</td>
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<tr>
<td>Sponsor</td>
<td></td>
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<tr>
<td>Minimum subscription</td>
<td>3rd Sch (7)</td>
</tr>
<tr>
<td></td>
<td><em>Bermuda Act</em> s.28</td>
</tr>
<tr>
<td>Preliminary expenses</td>
<td>A1-20</td>
</tr>
<tr>
<td>Promoter</td>
<td>A1-8</td>
</tr>
<tr>
<td>Qualifications of experts</td>
<td>A1-9(1)</td>
</tr>
<tr>
<td>Consents of experts</td>
<td>A1-9(2), s.342B, s.38C</td>
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<tr>
<td>Binding effect</td>
<td>ss44A, 44B, s.342B</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td></td>
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</tbody>
</table>

*Other*
2. Sample White Application Form

The Working Group has identified the following problems with application forms:

- information in the form is not always consistent with information in the prospectus;
- information is repeated unnecessarily;
- an applicant must lodge the whole form;
- the wording used is not plain. In particular, the conditions and the instructions for completing the form are not clear;
- the information to be completed by the applicant is not in a logical order; and
- the layout is not consistent with plain language principles. For example,
  * the writing is too small to read comfortably;
  * red print is too hard to read, particularly on coloured forms; and
  * words are often written in capital letters.

The Working Group has designed a larger application form, which has the following features:

- the form includes all the information which is presently found in the "Procedure for application" section of a prospectus;
- the part completed by the applicant is to be torn off from the information which accompanies it. Only the completed part is lodged with the bank, and the applicant gets to keep the important information;
- the parts to be completed by the applicant are in a logical order;
- the larger size means that all parts of the form are easier to read; and
- the form is written in plain language.

The Working Group suggests that some colour should be used on the form to prevent unauthorised copying. However, the Group recommends that colour should be used sparingly, and should be confined to the shaded areas or the heading. It should not be used for the main text.

If your circumstances differ from what our form describes, you will have to change the sample wording. You must also make sure that any changes are reflected in the section "How to apply for new shares".
[White] Use this form if you want the shares to be issued in your name.

The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this application form, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of this application form.

Applications will be accepted until 12 noon on [date].

You must read the conditions and instructions attached to this form.

You must complete all parts of this form.

Please write clearly.

To: [Company name]
[The Underwriters]

I/We:

- Apply for the number of shares set out below, on the terms and conditions of the prospectus and this application form, and subject to the memorandum of association and bye-laws of [Company name];
- Enclose payment in full for the shares applied for, including 1% brokerage and 0.013% Stock Exchange transaction levy;
- Undertake and agree to accept the shares applied for, or any lesser number allotted to me/us on this application;
- Declare that this is the only application made and the only application intended by me/us to be made on a white or yellow application form, to benefit me/us or the person for whose benefit I am/we are applying;
- Understand that this declaration and representation will be relied upon by [Company name] in deciding whether or not to make any allotment of shares in response to this application;
- Authorise [Company name] to place my/our name(s) on the register of members of [Company name] as the holder(s) of any shares allotted, and to send any share certificates and any refund cheques by ordinary post at my/our own risk to the address given on this form;
- Have read the terms and conditions and application procedures set out on the pages attached to this form and in the prospectus and agree to be bound by them.

Signed by all applicants: 

Date: .......... / .......... / ..........
Number of shares applied for

Cheque/banker's cashier order number

Total amount of payment

Name of bank

HK$ 港元

Family name or Company name 姓氏或公司名稱

Forename(s) 名字

Your name in English

Your name in Chinese

Family name 姓氏

Your occupation

HK ID Card number/ Passport number 香港身分證號碼／護照號碼*

Your address

Tel. No. 電話號碼

Names of all joint applicants

HK ID Card number(s)/ Passport number(s)*

For nominees: Give an account number or identification code for each beneficial owner.

申請人如屬代理人，請填寫每名申請股份實益擁有人的帳戶號碼或身分證明編碼。

If you are a nominee and you do not complete this section, this application will be treated as being made for your benefit. [如申請人本身為代理人，但沒有填寫此欄，本項申請將視為為你本身的利益作出。]

Tick this box if you want to collect your share certificate(s) or refund cheque in person from [Company name's] HK branch share registrar 如打算在 [公司名稱] 香港股份過戶登記處親自領取股票或退款支票，請加上 ✓ 紋。

* To be completed by individuals only. If you hold a HK ID Card, give that number. If you do not hold a HK ID Card, give your passport number.

ADDRESS LABEL

Repeat your name and address as set out above in BLOCK letters

SPECIMEN SIGNATURE(S)

All applicants to sign 所有申請人均須簽名

Signature(s) 簽名

Full name(s) 姓名／名稱全寫

For Bank use 此欄供銀行填寫
Use this form if you want the new shares to be issued in your name

[COMPANY NAME] LIMITED
(Incorporated in Bermuda with limited liability)

New issue

Conditions of your application

A. Who can apply
1. You, the applicant(s), must be 18 years of age or older.
2. If you are a firm, the application must be in the names of the individual members, not the firm name.
3. If you are a body corporate, the application must be signed by a duly authorised officer, who must state his or her representative capacity.
4. You cannot apply for any new shares if you are:
   - an existing beneficial owner of shares in [Company name];
   - the Chief Executive or a director of [Company name]; or
   - an associate of any of the above (as “associate” is defined in the Listing Rules);
   - [Other].

B. If you are a nominee
If you are a nominee, you may lodge more than one application in your own name or in the names of different owners. In the box on the application form marked “Application submitted by nominees” you must give for each beneficial owner:
   - an account number; or
   - some other identification code.
If you do not include this information, the application will be treated as being for your benefit.

C. Lodge only one application for your benefit
Multiple applications or suspected multiple applications will be rejected. All of your applications will be rejected as multiple applications if you, or you and joint applicants together:
   - make more than one application on a white or yellow form;
   - make more than one application on a pink form;
   - apply on one white or yellow form for more than 50% of the shares being offered for public subscription; or
   - apply on one pink form for more than 100% of the shares being offered to employees on a preferential basis.
[Employers who have applied for shares on a pink application form may also make an application on a white or yellow application form.]
All of your applications will also be rejected as multiple applications if more than one application is made for your benefit. If an application is made by an unlisted company and
   - the only business of that company is dealing in securities; and
   - you exercise statutory control over that company then the application will be deemed to be for your benefit.
Unlisted company means a company with no equity securities listed on the Stock Exchange.

Statutory control means you:
   - control the composition of the board of directors of the company;
   - control more than half the voting power of the company; or
   - hold more than half the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

D. Allocation of shares - Pools A and B
Of the 5 million shares being offered, 5 million shares (representing 10% of the new issue) are available for subscription by employees of [Company name] or its subsidiaries on pink application forms. At least 5 million shares (representing 90% of the new issue) will be available for public subscription on white or yellow application forms. For allocation purposes only, these shares will be equally divided into two pools at 5 million shares each: pool A and pool B. Shares in pool A will be allocated on an equitable basis only to applicants who have validly applied for new shares in the value of HK$5 million or less (excluding brokerage and stock exchange transaction levy). Shares in pool B will be allocated on an equitable basis only to applicants who have validly applied for new shares in the value of more than HK$5 million (excluding brokerage and stock exchange transaction levy) and up to the total value of pool B, i.e. HK$9 million. Applicants in pool A are likely to receive different allocation ratios from applicants in pool B.

If one of the pools is undersubscribed, the unsubscribed shares will be transferred to the other pool for allocation.

E. Effect of completing the form
By completing the form you (and if you are joint applicants, you each jointly and severally):
   - instruct and authorise [Sponsor] (or its nominees) to do on your behalf all things necessary to register any new shares in your name, and otherwise to give effect to the arrangements described in the prospectus;
   - undertake to sign all documents and to do all things necessary to enable you to be registered as the holder of the shares applied for, and as required by the memorandum of association and by-laws of the company;
   - confirm that you have only relied on the information and representations in the prospectus in making your application;
   - agree that [Company name], the sponsor, the underwriters, their directors, and any other parties involved in the new issue are liable only for the information and representations contained in the prospectus;
   - agree (without prejudice to any other rights which you may have) that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;
   - (if the application is made for your own benefit) warrant that this is the only application which will be made for your benefit on a white or yellow application form;
   - (if you are an agent for another person) warrant that this is the only application which will be made for the benefit of that other person on a white or yellow application form, and that you are duly authorised to sign this form as that other person’s agent;
   - agree that your application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong; and
   - agree to disclose to the company or its agents any information which they require about you.
[Company name], its directors, the sponsor, and the underwriters are entitled to rely on any warranty, representation or declaration made by you in this application.

F. Power of attorney
If your application is made by a person duly authorised under a power of attorney, [Company name] and [Sponsor] as its agent may accept it at their discretion, and subject to any conditions they think fit, including evidence of the authority of your attorney.

Allotment of new shares
New shares will be allotted after the application lists close. No new shares will be allotted after [date].
[Company name] expects to release the results of the new issue and the allotment of new shares on [date], and expects to announce these results in [English language newspaper] and [Chinese language newspaper] on [date].

If your application for new shares is successful
If you have indicated on your application form that you will collect your share certificates, you may collect them in person from:
[address]
[address]
between 9 a.m. and 1 p.m. on the date notified by [Company name] in the newspaper as the date of dispatch of share certificates. This is expected to be [date].
You must show identification to collect your share certificates.
If you do not collect your share certificates, they will be sent to the address on your application form shortly after the date of dispatch, by ordinary post and at your own risk.
If you have not indicated on your application form that you will collect your share certificates, then your certificates will be sent to the address on your application form on the date of dispatch, by ordinary post and at your own risk.
[Company name] will not issue temporary documents of title.
[White] Use this form if you want the new shares to be issued in your name

Circumstances in which you will not be allotted new shares
You may not be allotted new shares for any of the following reasons:
1. At the discretion of the Company or its agents:
   [Company name] and [Sponsor] as agent for [Company name] have full discretion to reject or accept any application, or to accept only part of any application.
   [Company name] and the agent do not have to give any reasons for any rejection or acceptance.
2. If your application is rejected:
   Your application will be rejected if:
   • it is a multiple application;
   • your application form is not filled in correctly;
   • your payment is not in the correct form; or
   • you pay by cheque and the cheque is dishonoured on its first presentation.
3. If your application is not accepted:
   Your application will not be accepted if:
   • the Underwriting agreement does not become unconditional;
   • the Underwriting agreement is terminated.
4. If you revoke your application:
   By completing an application form you agree that you cannot revoke your application before [date]. This agreement will take effect as a collateral contract with [Company name], and will become binding when you lodge your application form. This collateral contract will be in consideration of [Company name] agreeing that it will not offer any new shares to any person before [date] except by this prospectus.
   You may only revoke your application earlier than [date] if a person responsible for this prospectus under s.40 of the Companies Ordinance gives a public notice under that section which excludes or limits the responsibility of that person for this prospectus.
   If your application has been accepted, it cannot be revoked.

5. If the allotment of shares is void:
   Your allotment of shares will be void if the Listing Committee does not grant permission to list the new shares either:
   • within 3 weeks from the closing of the application list; or
   • within a longer period of up to 6 weeks if the Listing Committee notifies [Company name] of that longer period within 3 weeks of the closing of the list.

Refund of your money
If you do not receive any new shares for any of the above reasons, [Company name] will refund your application money to you. No interest will be paid. If your application is accepted only in part, [Company name] will refund the appropriate portion of your application money, brokerage and transaction levy to you, without interest.
   All refunds will be made by a cheque crossed “Account payee only,” and made out to you, or, if you are a joint applicant, to the first named applicant on your application form.
   If you have not marked on your application form that you will collect your refund, then it will be sent to the address on your application form, by ordinary post and at your own risk.
   If you have marked on your application form that you will collect your refund, you may collect it in person from:
   [address]
   [address]
   between 9 a.m. and 1 p.m. on the date notified by [Company name] in the newspaper on the date of dispatch of refund cheques. This is expected to be [date].
   You must show identification to collect your refund.
   If you do not collect your refund, it will be sent to the address on your application form shortly after the date of dispatch, by ordinary post and at your own risk.
[Company name] intends to make special efforts to avoid delays in refunding money.

How to make your application
1. Use the table set out below to calculate how many shares you want to buy, and how much you must pay. Your application must be for a minimum of X,000 shares. Applications for more than X,000 shares must be in one of the multiples set out in the table. You must pay the issue price of HKSX 00 per share, plus brokerage of 1% and a transaction levy of 0.013%. The table also sets out the total amount payable for any multiple of shares.
2. Complete the form and sign it. Only written signatures will be accepted.
3. Staple your payment to the form. You must pay for the new shares by cheque or by banker’s Cashier order.
   If you pay by cheque, the cheque must:
   • be in Hong Kong dollars;
   • be drawn on your Hong Kong dollar bank account;
   • bear your account name. This name must either be pre-printed on the cheque, or be endorsed on the back by a person authorized by the bank. This account name must be your name. If it is a joint application, the account name must be the same as the name of the first applicant;
   • be payable to “Blank Bank (Nominees) Limited - [Company name] New Issue”; and
   • be crossed “Account payee only”.
   Your application will be rejected if your cheque:
   • does not meet all these requirements; or
   • is dishonoured on its first presentation.
4. If you pay by banker’s Cashier order:
   • you must purchase the order, and have your name certified on the back by a person authorized by the bank. The name on the order and the name on the application must be the same. If it is a joint application, the name on the order must be the same as the name of the first applicant;
   • the order must be payable to “Blank Bank (Nominees) Limited - [Company name] New Issue”; and
   • the order must be crossed “Account payee only”.
   Your application will be rejected if your order does not meet all these requirements.
5. Your application form can be lodged at these times:
   Tuesday DD/MM/YYYY 9 a.m. to 4 p.m.
   Wednesday DD/MM/YYYY 9 a.m. to 4 p.m.
   Thursday DD/MM/YYYY 9 a.m. to 4 p.m.
   Friday DD/MM/YYYY 9 a.m. to 12 noon
6. The last time for lodging your application is 12 noon on [date]. The application list will be open between 11.45 a.m. and 12 noon on that day, subject only to the weather conditions. The application list will not be open if there is:
   • a tropical cyclone warning signal 8 or above, or
   • a “black” rainstorm warning in force at any time between 9 a.m. and 12 noon on [date]. Instead they will be open between 11.45 a.m. and 12 noon on the next business day which does not have either of these warnings in force at any time between 9 a.m. and 12 noon.
   Business day means a day that is not a Saturday, Sunday or public holiday.
7. Your cheque or banker’s Cashier order will not be presented for payment before [date]. [Company name] will not give you a receipt for your payment. [Company name] will keep any interest on your application money.

<table>
<thead>
<tr>
<th>TABLE OF MULTIPLES AND PAYMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>X,000 shares</td>
</tr>
<tr>
<td>X,000 shares</td>
</tr>
</tbody>
</table>

[Table continues with multiples and payment details]
如要求以你的名義登記獲配新股，請用本表格

[公司名稱] 有限公司
(在百慕達註冊成立的有限公司)

新股發售

申請條件

A. 申請人資格

1. 必須年滿 18 歲或以上。
2. 如屬團體，則須由團體內閣成員率必非以團體的名義申購。
3. 如屬法人團體，申請表格必須由該法人團體正式獲授權負責
   人簽署，並需提供該署名人的職位。
4. 下列人士不得申請任何次發售的新股。
   - [公司名稱] 的現有股東或其親屬;
   - [公司名稱] 的行政總裁或董事;
   - 視乎在申請日期時，所屬的團體/公司/個人。
   - 上述任何人士的聯繫人(按"聯繫人"在《上市規則》
     內的定義)。
   - [其他人士]。

B. 你是代名人？

如你代名人申請，代名人必須於申請表上由代名人遞交一元額寫明名義擁有人的

- 姓名及職位;
- 其他識別資料。

C. 只可為你本身的利益申請

重複申請或涉嫌重複申請概不受理。

如你或你同名同姓申請人作出以下任何一項行為，你所
有申請均概不受理。

- 以自資或自資直接申請超過一個申請表;
- 以粉紅表申請超過一個申請表，[已經以粉紅表申請的人士(公司名稱) 代
   你，亦可提交自資或自資申請表。]

D. 股份的分配

是次公開發售的 12,000 萬股中，有 10,000 萬股（佔發售新股總
數 10%）撥予[公司名稱]及其附屬公司的僱員以粉紅表申請

此外，最少有 2,000 萬股（佔發售新股總數 90%）供公眾
以自資或自資申請。為符合新股發售的分配規律，需保留
發售的各類新股將按如下計算：

- [公司名稱] 股份按公平原則，只分配予申請股份價值為
  港幣 500 萬元或以下不包括證券佣金及交易所交易費

- 並已提交有效申請表格的申請人士。乙類股份亦按公平原
  則，只分配予申請股份價值為港幣 500 萬元或以上（最高限額相
  等於乙類股份的總額，即最高港幣 10,000 萬元）。

E. 填妥本申請表格的費用

本申請表格一經填妥後，即表示你（包括名義申請人，則你們共同及

- 撰寫及核對/保護人/其或其代名人）代辦一切必要手續，以登記
  任何新股在你名下；及辦理其他程序，以完成招股章程所列各項
  安排。

- 將所有文件及辦理所有必要手續，以登記[公司名稱]的
  公司章程及附例，登記所申請的股份在你名下；

- 確認你提出申請時，已依循招股章程載列的資料及陳述；

- 同意[公司名稱]、保薦人、包銷商、其董事，及是次新股發售涉
  及的所有各方須負上的責任，只限於招股章程載列的資料及陳述；

- 同意（在不影響你可獲有的其餘權利下）本申請一經接納，便
  不可及時作出的失實陳述及将其撤銷；

- （如本申請是為你本身的利益提交）保護這是為你本身的利益提交
  的唯一自表/假名申請表。

- （如你被是化成人的代理人）假名是為該人利益提交的唯一自表
  或假名申請表，而你已正式授權，以該人代理人的身分，簽署本
  申請表格；

- 同意本申請，本申請的任何接納及由此而訂立的合約，均受香港
  法例管轄，及須受其詮釋及；

- 同意[公司名稱]及其代理人的要求，向其披露關於你的個人資料。

[公司名稱]，其董事、保薦人及包銷商均有權根據你在本申請表格上
作出的任何保證、陳述或聲明。

F. 透過申請代表股份

如你透過根據授權書而獲授適當授權的人士提出申請，[公司名稱]及
其代理人/保薦人/可在符合其認為適當的條件（包括須取得證明你
的代理已獲授權的證明）的情形下，酌情接納有關申請。

新股的配售

新股發售申請截止日期後開始，在[日期]後不再分配任何新股。

[英文報紙]及[中文報紙]公佈上述的結果。

成功申請新股

凡在本申請表上表明擬親自領取股份者，可在[公司名稱]在報章上公佈
的日期當天（即股票結算日期）上午 9 時正至下午 1 時正，親身前往以下
地址領取：

[地址]

[地址]

股票預計將於[日期]除牌。

領取股票須出示身分證明。

未領取的股票，將在股票除牌日期後，盡快以平郵寄送申請表格所示地
址，郵費風險由申請人承擔。

如你未能在申請表格上表明親自領取股票，你獲分配的股票將在股票除
牌日期後，一律寄送申請表格所示地址，郵費風險由你承擔。

[公司名稱]不會發出任何證明股份所有權的臨時文件。

[中文報紙]
(白細) 如要求以你的名義登記獲配新股，請用本表格

導致申請人不獲分配新股的情況

你可能因下列原因不獲分配新股：

1. 公司或其代理人行申請的情況：
   - [公司名稱] 及 [公司名稱] 的代理人 [代理人]，可全權決定是否接納任何申請，或只接納部分申請。
   - [公司名稱] 及其代理人均無須解釋接納或拒絕申請的原因。

2. 申請人不獲申請：
   - 以下情況將導致申請被拒：
     - 虛報申請；
     - 未填齊登記表格；
     - 不按規定方式繳付新股；或
   - 你以支票付款，但該支票在首次過戶時未獲兌現。

3. 申請人不獲接納：
   - 以下情況將導致申請不獲接納：
     - 包銷協議未能成為無條件協議；
     - 包銷協議延遲後。

4. 如你填表申請：
   - 有責任根據 [公司名稱] 第 40 條所述新股章程負責的眾人士發出公開通報，或按照其對該本招股章程負責人的責任，不可在上述日期後撤銷申請。

申請手續

1. 按照下表計算帶申購股數及應繳股款。申購股數最少須為 X,000 股，X,000 股以上的申請，需按照上述表列的倍數提出，申請人須繳付每股發售價港元 X,00 元，另加股利計算
   - 1% 及交易費 0.13%，下表列出不同申購股數倍的應繳股款額度。

2. 報名及簽名申購表格。請注意：[公司名稱] 報名冊親筆簽名。

3. 付款支票須緊記於申購表格上。申購股數必須以支票或銀行本票支付。
   - 如以支票付款，該支票必須：
     - 準確認支票；
     - 使用指定銀行開戶戶名；
     - 繳交銀行開戶戶名，而該戶名須已登記在支票上，或
     - 有相關銀行開戶戶名在該票背面簽署證明戶名，該票戶名必
     - 要是你名下戶名。如屬解名申請，該戶名必須與排名首
     - 名申請人的姓名相符。

4. 註明《招點名為 “XX 銀行（代名人）有限公司－XX 銀行
   - 發售新股”，及
   - 註明前款人為 “XX 銀行（代名人）有限公司－發售新股”；及
   - 在本票上填明“只進入收款人帳戶”。

5. 可於下列時間內提交申購表格：
   - 星期二年 月 日上午 9 時正至下午 4 時正
   - 星期三 月 日上午 9 時正至下午 4 時正
   - 星期四 月 日上午 9 時正至下午 4 時正
   - 星期五 月 日上午 9 時正至下午 12 時正

6. 申購表格必須於 [日期] 前個星期星期 以前遞交，惟須親
   - 申請表格於當日上午 11 時 45 分及下午 12
   - 申請期限僅限在當日上午 9 時正至下午 12
   - 正時提交有效，凡逾期提交者，將不予計入。

7. 須於下列情況內提交申購表格：
   - 8 時或以上的有效時間，否則將視為無效。
   - “黑色” 警告警告信號，
   - 如在同日的下一個營業日至下午 9 時正至中午 12 時正內任何時間並
   - 有效時間內提交任何一份警告信號，申請表將被放棄。

8. 如申請人不獲分配新股，其申購資料將在 [日期] 前逐個，[公司名稱], 不會發
   - 付款申請，及申購資料將由下一輪商討股所得利息。

申購股數及應繳股款一覽表