

Appendix 1

CONTENTS OF LISTING DOCUMENTS

Part B

Equity Securities

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

General information about the issuer, its advisers and the listing document

1. The full name of the issuer.
2. A statement as follows:—

“This document, for which the directors of the issuer collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the issuer. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:—

- (a) the information contained in this document is accurate and complete in all material respects and not misleading;
 - (b) there are no other matters the omission of which would make any statement in this document misleading; and
 - (c) all opinions expressed in this document have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.”
(Note 1)
3. The names and addresses of the issuer’s principal bankers, Sponsor (in the case of an issuer that is required to have, or otherwise retains, a Sponsor), financial adviser, authorised representatives, solicitors, registrars and trustees (if any) and of the solicitors to the issue.
 4. The name, address and professional qualifications of the auditors.
 5. Where the listing document includes a statement purporting to be made by an expert, a statement:—
 - (1) specifying the qualifications of such expert and whether such expert has any shareholding in any member of the group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the group and, if so, a full description thereof;
 - (2) that the expert has given and has not withdrawn his written consent to the issue of the listing document with the expert’s statement included in the form and context in which it is included; and
 - (3) of the date on which the expert’s statement was made and whether or not it was made by the expert for incorporation in the listing document.

6. Particulars of any other stock exchange on which any part of the equity or debt securities of the issuer is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought particulars of the dealing and settlement arrangements on each such exchange and between such exchanges, or an appropriate negative statement.
7. Particulars of any arrangement under which future dividends are waived or agreed to be waived.
8. Particulars of any commissions, discounts, brokerages or other special terms granted since the date to which the latest published audited accounts of the issuer were made up in connection with the issue or sale of any capital of any member of the group, together with the names of any directors or proposed directors, promoters or experts (as named in the listing document) who received any such payment or benefit and the amount or rate of the payment or benefit they received, or an appropriate negative statement. (*Notes 2 and 8*)

Information about the securities for which listing is sought and the terms and conditions of their issue and distribution

9.
 - (1) A statement that application has been or will be made to the Exchange for listing of and permission to deal in the securities.
 - (2) In case of a new class of securities to be listed, a statement that all necessary arrangements have been made enabling the securities to be admitted into CCASS.
 - (3) A statement to the effect that dealings in securities of the issuer may be settled through CCASS and that investors should seek the advice of their stockbroker or other professional adviser for details of those settlement arrangement and how such arrangements will affect their rights and interests.
 - (4) In case of a new class of securities to be listed, a statement of the minimum prescribed percentage applicable to that class of securities pursuant to rule 11.23. If the minimum prescribed percentage cannot be determined as at the date of the document, an indicative range should be provided.
10.
 - (1) The nature and amount of the issue including the number (or, if not yet determinable, the minimum and maximum number) of securities which have been or will be created and/or issued, if predetermined.
 - (2) Whether or not, and if so to what extent, the issue has been underwritten and, if not fully underwritten, the minimum amount of capital, if any, which the issuer must raise for the issue to proceed.
11. Where the securities for which listing is sought were issued for cash since the date to which the latest published audited accounts of the issuer were made up, or will be issued for cash, a statement or an estimate of the net proceeds of the issue and a detailed explanation as to how such proceeds were or are intended to be applied. (*Note 3*)
12. The amount or estimated amount of the expenses of the issue and of the application for listing and by whom the same are payable.
13. A statement of the net tangible asset backing for each class of security for which listing is sought, after making allowance for any new securities to be issued, as detailed in the listing document.
14. If known, the date on which dealings will commence.
15. Where the securities for which listing is sought are allotted by way of exchange or substitution, an explanation of the financial effects thereof and the effect on existing share rights.

16. Where the securities for which listing is sought are allotted by way of capitalisation of reserves or profits or by way of bonus to the holders of an existing security, a statement as to the pro rata entitlement, the last date on which transfers were or will be accepted for registration for participation in the issue, how the securities rank for dividend, whether the securities rank pari passu with any listed securities, the nature of the document of title, its proposed date of issue and whether or not it is renounceable and how fractions (if any) are to be treated.
17. Where listing is sought for shares which will not be identical with shares already listed:—
 - (1) a statement of the rights as regards dividend, capital, redemption and voting attached to such shares and (except as regards the lowest ranking equity) as to the right of the issuer to create or issue further shares ranking in priority thereto or pari passu therewith; and
 - (2) a summary of the consents necessary for the variation of such rights.
18. Where the securities for which listing is sought are offered by way of rights or by way of an open offer to the holders of an existing listed security, a statement as to:—
 - (1) how securities not taken up will be dealt with and the time, being not less than 14 days, in which the offer may be accepted. In cases where the issuer has a large number of overseas members a longer offer period may be desirable, provided that the Exchange must be consulted if the issuer proposes an offer period of over 21 days; (*Note 4*)
 - (2) the pro rata entitlement (if applicable), the last date on which transfers were accepted for registration for participation in the issue, how the securities rank for dividend, whether the securities rank pari passu with any listed securities, the nature of the document of title and its proposed date of issue, and how fractions (if any) are to be treated;
 - (3) whether the board of directors has received any information from any substantial shareholders of their intention to take up the securities provisionally allotted or offered to them or to be provisionally allotted or offered to them and particulars thereof; and
 - (4) the matters required to be disclosed by rules 10.25, 10.27, 10.28, 10.29 and 10.31 (in the case of a rights issue) and 10.36, 10.38 and 10.39 (in the case of an open offer) and/or 20.23(3)(c), as appropriate.
19. Where listing is sought for securities with a fixed dividend, particulars of the profits cover for dividend.
20. Where listing is sought for options, warrants or similar rights to subscribe or purchase equity securities:—
 - (1) the maximum number of securities which could be issued on exercise of such rights;
 - (2) the period during which such rights may be exercised and the date when this right commences;
 - (3) the amount payable on the exercise of such rights;
 - (4) the arrangements for transfer or transmission of such rights;
 - (5) the rights of the holders on the liquidation of the issuer;
 - (6) the arrangements for the variation in the subscription or purchase price or number of securities to take account of alterations to the share capital of the issuer;

- (7) the rights (if any) of the holders to participate in any distributions and/or offers of further securities made by the issuer; and
- (8) a summary of any other material terms of the options, warrants or similar rights.

21. Where listing is sought for convertible equity securities:—

- (1) information concerning the nature of the equity securities to which the convertible equity securities relate and the rights attaching thereto; and
- (2) the conditions of and procedures for conversion, exchange, subscription or purchase and details of the circumstances in which they may be amended.

Information about the issuer's capital

22. (1) The authorised share capital of the issuer, the amount issued or agreed to be issued, the amount paid up, the nominal value and a description of the shares.
 - (2) The amount of any outstanding convertible debt securities and particulars of the conditions governing and the procedures for conversion, exchange or subscription of such securities.
23. Particulars of and the number of founder or management or deferred shares, if any, and the nature and extent of the interest of the holders in the property and profits of the group.
24. Particulars of any alterations in the capital of any member of the group since the date to which the latest published audited accounts of the issuer were made up, including:—
- (1) where any such capital has been issued or is proposed to be issued as fully or partly paid up otherwise than in cash, particulars of the consideration for which the same has been or is proposed to be issued and in the latter case, the extent to which they are so paid up; and
 - (2) where any such capital has been issued or is proposed to be issued for cash, particulars of the price and terms upon which the same has been or is proposed to be issued, details of any discounts or other special terms granted and (if not already fully paid) the dates when any instalments are payable with the amount of all calls or instalments in arrear,

or an appropriate negative statement. (*Note 2*)

25. Particulars of any capital of any member of the group which is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee, or an appropriate negative statement. (*Note 2*)

Provided that where options have been granted or agreed to be granted to all the members or debenture holders or to any class thereof, or to participants under a share option scheme, it shall be sufficient, so far as the names and addresses are concerned, to record that fact without giving the names and addresses of the grantees.

General information about the group's activities

26. (1) (a) The general nature of the business of the group and, in cases where 2 or more activities are carried on which are material in terms of profits or losses, assets employed or any other factor, such figures and explanation as are necessary to demonstrate the relative importance of each such activity and details of the main categories of products sold and/or services performed and an indication of any significant new products and/or activities. If the group trades outside the country of incorporation or other establishment of the issuer a statement showing a geographical analysis of its trading operations.

Where a material proportion of the group's assets are situated outside the country of incorporation or other establishment of the issuer, a statement giving the best practicable indication of the amount and situation of such assets and the amount of the assets situated in Hong Kong. (*Note 5*)

- (b) additional information in respect of major customers (meaning, other than in relation to consumer goods or services, the ultimate customer, and in relation to consumer goods or services the ultimate wholesaler or retailer as the case may be) and suppliers (meaning the ultimate supplier of items which are not of a capital nature) as follows:—
- (i) a statement of the percentage of purchases attributable to the group's largest supplier;
 - (ii) a statement of the percentage of purchases attributable to the group's 5 largest suppliers combined;
 - (iii) a statement of the percentage of turnover or sales attributable to the group's largest customer;
 - (iv) a statement of the percentage of turnover or sales attributable to the group's 5 largest customers combined;
 - (v) a statement of the interests of any of the directors; their associates; or any shareholder (which to the knowledge of the directors owns more than 5 per cent of the issuers' share capital) in the suppliers or customers disclosed under (i) to (iv) above or if there are no such interests a statement to that effect;
 - (vi) in the event that the percentage which would fall to be disclosed under (ii) above is less than 30, a statement of that fact shall be given and the information required in (i), (ii) and (v) (in respect of suppliers) may be omitted; and
 - (vii) in the event that the percentage which would fall to be disclosed under (iv) above is less than 30, a statement of that fact shall be given and the information required in (iii), (iv) and (v) (in respect of customers) may be omitted.

Sub-paragraph 26(1)(b) applies to all issuers whose businesses comprise, in whole or in part, the supply of goods or services of whatever nature, and in the case of service references to customers includes the clients of such issuers.

In relation to consumer goods, references to customers are to the ultimate wholesaler or retailer, except when the issuer's business incorporates the wholesaling or retailing operation. In all other cases references to customers are to ultimate customer.

References to suppliers are primarily to those who provide goods or services which are specific to an issuer's business and which are required on a regular basis to enable the issuer to continue to supply or service its customers. Suppliers of goods and services which are freely available from a range of suppliers at similar prices or which are otherwise freely available (such as utilities) are excluded. In particular, it is recognised that an obligation on issuers who are providers of financial services (such as banks and insurance companies) to give information about suppliers would be of limited or no value, and there is therefore no disclosure requirement in respect of suppliers to such issuers.

The Exchange must be consulted if there is any doubt about the application of sub-paragraph 26(1)(b) (*Note 8*).

- (2) Particulars of any contracts for the hire or hire purchase of plant to or by any member of the group for a period of over 1 year which are substantial in relation to the group's business.
- (3) Particulars of any trade marks, patents or other intellectual or industrial property rights which are material in relation to the group's business and, where such factors are of fundamental importance to the group's business or profitability, a statement regarding the extent to which the group is dependent on such factors.
- (4) Particulars of any interruptions in the business of the group which may have or have had a significant effect on the financial position in the last 12 months.
- (5) Particulars, including location, of the principal investments (if any), including such investments as new plant, factories and research and development, being made or planned by the group.

(Note 2)

27. (1) Particulars of any restriction affecting the remittance of profits or repatriation of capital into Hong Kong from outside Hong Kong.
- (2) A statement of whether or not any issuer that is an overseas issuer will have sufficient foreign exchange to pay forecasted or planned dividends and to meet its foreign exchange liabilities as they become due, with particulars of the anticipated sources of foreign exchange. If an overseas issuer has no exposure to foreign exchange liabilities, a negative statement to that effect.

Financial information about the group and the prospects of the group

28. A statement as at the most recent practicable date (which must be stated) of the following on a consolidated basis if material:—
 - (1) the total amount of any debt securities of the group issued and outstanding, and authorised or otherwise created but unissued, and term loans, distinguishing between guaranteed, unguaranteed, secured (whether the security is provided by the issuer or by third parties) and unsecured, or an appropriate negative statement;
 - (2) the total amount of all other borrowings or indebtedness in the nature of borrowing of the group including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, distinguishing between guaranteed, unguaranteed, secured and unsecured borrowings and debt, or an appropriate negative statement;
 - (3) all mortgages and charges of the group, or an appropriate negative statement; and
 - (4) the total amount of any contingent liabilities or guarantees of the group, or an appropriate negative statement.

Intra-group liabilities should normally be disregarded, a statement to that effect being made where necessary. *(Notes 2 and 5)*

29. (1) (a) General information on the trend of the business of the group since the date to which the latest published audited accounts of the issuer were made up; and
 - (b) a statement as to the financial and trading prospects of the group for at least the current financial year, together with any material information which may be relevant thereto, including all special trade factors or risks (if any) which are not mentioned elsewhere in

the listing document and which are unlikely to be known or anticipated by the general public, and which could materially affect the profits. *(Note 2)*

- (2) Where a profit forecast appears in any listing document the principal assumptions, including commercial assumptions, upon which it is based, must be stated. The accounting policies and calculations for the forecast must be examined and reported on by the reporting accountants or auditors, as appropriate, and their report must be set out. The financial adviser must report in addition that it has satisfied itself that the forecast has been stated by the directors after due and careful enquiry, and such report must be set out.
 - (3) Details (if applicable) of the information set out in rules 17.15 to 17.21 concerning the financial exposure of the issuer to borrowers and other relevant information.
30. A statement by the directors that in their opinion the working capital available to the group is sufficient or, if not, how it is proposed to provide the additional working capital thought by the directors to be necessary. *(Note 2)*
31.
 - (1) Where required by Chapter 7, a report by the reporting accountants in accordance with that Chapter.
 - (2) If after the date to which the latest published audited accounts of the issuer have been made up, any member of the group has acquired or agreed to acquire or is proposing to acquire a business or an interest in the share capital of a company whose profits or assets make or will make a material contribution to the figures in the auditors' report or next published accounts of the issuer:—
 - (a) a statement of the general nature of the business or of the business of the company in which an interest has been or is being acquired, together with particulars of the situation of the principal establishments and of the principal products;
 - (b) a statement of the aggregate value of the consideration for the acquisition and how it was or is to be satisfied; and
 - (c) if the aggregate of the remuneration payable to and benefits in kind receivable by the directors of the acquiring company will be varied in consequence of the acquisition, full particulars of such variation; if there will be no variation, a statement to that effect. *(Note 8)*
 - (3) Information for the last 3 financial years with respect to the profits and losses, financial record and position, set out as a comparative table and the latest published audited balance sheet together with the notes on the annual accounts for the last financial year:—
 - (a) for the group; and
 - (b) for any company acquired since the date of the last published audited accounts of the group in respect of which an accountants' report has already been submitted to shareholders or which was itself during the last 12 months a listed issuer, together with a pro forma statement combining the assets and liabilities and profits or losses for the latest financial years given in accordance with this sub-paragraph and sub-paragraph (3)(a) above.
32. A statement by the directors of any material adverse change in the financial or trading position of the group since the date to which the latest published audited accounts of the issuer have been made up, or an appropriate negative statement.

33. Particulars of any litigation or claims of material importance pending or threatened against any member of the group, or an appropriate negative statement. (*Note 2*)

Information about the issuer's management

34. The full name, residential or business address of every director and senior manager or proposed director and senior manager. In addition, brief biographical details in respect of the directors, proposed directors, senior managers and proposed senior managers of the issuer shall be provided. Such details will include name, age, positions held with the issuer and other members of the issuer's group, length of service with the issuer and the group and such other information (which may include business experience) of which shareholders should be aware, pertaining to the ability or integrity of such persons. Where any of the directors or senior managers are related, having with any other director or senior manager any one of the relationships set out below, that fact should be stated. The relationships are spouse; any person cohabiting with the director or senior manager as a spouse; and any relative meaning a child or step-child regardless of age, a parent or step-parent, a brother, sister, step-brother or a step-sister, a mother-in-law, a father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law. Where any director or proposed director is a director or employee of a company which has an interest in the share capital of the issuer which would fall to be disclosed to the issuer under the provisions of Part II of the SDI Ordinance, that fact shall be stated.

It is the responsibility of the directors of the issuer to determine which individual or individuals constitute senior management. Senior management may include directors of subsidiaries and heads of divisions, departments or other operating units within the group as senior management as, in the opinion of the issuer's directors, is appropriate. (*Note 8*)

35. (1) The full names and professional qualifications, if any, of:—
- (a) the secretary of the issuer;
 - (b) the qualified accountant of the issuer appointed pursuant to rule 5.10; and
 - (c) the compliance officer to the issuer appointed pursuant to rule 5.14.
- (2) The names of the individuals appointed to the issuer's audit committee, their background and directorships (and past directorships), if any, of other companies listed on GEM, the Main Board or other exchanges, and a description of the functions of the audit committee.
36. The situation of the registered office and, if different, the head office and transfer office.
37. Details of any share option schemes to which Chapter 23 applies.
38. (1) A statement showing the interests of each director and chief executive of the issuer in the equity or debt securities of the issuer or any associated corporation (within the meaning of the SDI Ordinance) which:—
- (a) is required to be notified to the issuer and the Exchange pursuant to section 28 of the SDI Ordinance (including interests which he is taken or deemed to have under section 31 or Part 1 of the Schedule to the SDI Ordinance); or
 - (b) are required, pursuant to section 29 of the SDI Ordinance, to be entered in the register referred to therein; or
 - (c) are required, pursuant to rules 5.40 to 5.59 of the GEM Listing Rules relating to securities transactions by directors to be notified to the issuer and the Exchange;

or an appropriate negative statement. Provided that the Exchange may agree in its sole discretion that compliance with this paragraph may be modified or waived in respect of any

associated corporation if, in the opinion of the Exchange, the number of associated corporations in respect of which each director and chief executive is taken or deemed to have an interest under the SDI Ordinance is such that compliance with this paragraph would result in particulars being given which are not material in the context of the group and are excessive in length.

- (2) Any statement showing such interests of directors and chief executives must set out the total number or amount of such securities in which each director and chief executive is interested, as recorded in the issuer's register of interests, and then separately distinguish such interests between four categories as follows:—
- (a) Personal interests – namely those beneficial interests in securities which are registered in the name of the director or chief executive or a nominee who holds the securities on his behalf and to his order (e.g. a streetname), including interests in securities which he has contracted to purchase;
 - (b) Family interests – namely those interests in securities which a director or chief executive is deemed or taken to have under the SDI Ordinance with respect to securities in which his spouse or his child under the age of 18 years are interested;
 - (c) Corporate interests – namely those interests in securities which a director or chief executive is deemed or taken to have under the SDI Ordinance with respect to interests of a corporation where he is either entitled to exercise (or is taken under the SDI Ordinance to be able to exercise) or control the exercise of one third or more of the voting power in general meetings of that corporation or where the corporation or its directors are accustomed to act in accordance with his directions or instructions; and
 - (d) Other interests – namely those interests in securities which are recorded in the register but which do not fall within one of the above categories. This would include, by way of example, those interests which a director or chief executive is deemed or taken to have under the SDI Ordinance with respect to options which entitle a director or chief executive to call for the delivery of securities or to acquire an interest in securities and any interests in securities which arise as a result of the director or chief executive being a beneficiary or trustee of a trust (and which are not included as personal interests under category (a) above).

In the case of interests which fall within categories (c) and (d) above, a note setting out the nature of such interests should be provided to assist shareholders and investors to understand how the interests arise.

(Note 7)

- (3) A statement showing the name, so far as is known to any director or chief executive of the issuer, of each person, other than a director or chief executive of the issuer, who is expected, directly or indirectly, to be interested in 10 per cent or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the group and the amount of each of such person's interest in such securities, together with particulars of any options in respect of such capital, or, if there are no such interests, an appropriate negative statement. *(Note 2)*

(Notes 6 and 8)

39. Particulars of directors' existing or proposed service contracts with any member of the group (excluding contracts expiring or determinable by the employer within 1 year without payment of compensation (other than statutory compensation)), or an appropriate negative statement. *(Notes 2 and 8)*

40. (1) Full particulars of the nature and extent of the interest, direct or indirect, if any, of every director or proposed director or expert (as named in the listing document) in any assets which have been, since the date to which the latest published audited accounts of the issuer were made up, acquired or disposed of by or leased to any member of the group, or are proposed to be acquired or disposed of by or leased to any member of the group, including:—
- (a) the consideration passing to or from any member of the group; and
 - (b) short particulars of all transactions relating to any such assets which have taken place within such period,
- or an appropriate negative statement.
- (2) Full particulars of any contract or arrangement subsisting at the date of the listing document in which a director of the issuer is materially interested and which is significant in relation to the business of the group, or an appropriate negative statement.

(Notes 2 and 8)

Material contracts and documents for inspection

41. The dates of and parties to all material contracts (not being contracts entered into in the ordinary course of business) entered into by any member of the group within the 2 years immediately preceding the issue of the listing document, together with a summary of the principal contents of such contracts and particulars of any consideration passing to or from any member of the group.
(Note 2)
42. Details of a reasonable period of time (being not less than 14 days) during which and a place in Hong Kong at which the following documents (or copies thereof) where applicable may be inspected:—
- (1) the memorandum and articles of association or equivalent documents of the issuer;
 - (2) each of the following contracts:—
 - (a) any service contracts disclosed pursuant to paragraph 39;
 - (b) any material contracts disclosed pursuant to paragraph 41; and
 - (c) in the case of a connected transaction circular, any contracts referred to in the circular, or where any of the above contracts have not been reduced into writing, a memorandum giving full particulars thereof;
 - (3) all reports, letters or other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in the listing document;
 - (4) a written statement signed by the reporting accountants setting out the adjustments made by them in arriving at the figures shown in their report and giving the reasons therefor;
 - (5) the audited accounts of the issuer or, in the case of a group the consolidated audited accounts of the issuer and its subsidiaries for each of the 2 financial years immediately preceding the issue of the listing document together with (in the case of a Hong Kong issuer) all notes, certificates or information required by the Companies Ordinance; and

- (6) a copy of each circular issued pursuant to the requirements set out in Chapters 19 and/or 20 which has been issued since the date of the latest published audited accounts.
(Note 2)

Miscellaneous

43. Information as to the interests (if any) of the Sponsor and its directors, employees and associates (as referred to in rule 6.36) and of all directors, and management shareholders of the issuer and their respective associates (as referred to in rule 11.04). (Note 8)

Additional information on PRC issuers

(Paragraphs 44 to 50 apply to PRC issuers only)

44. Where a public or private issue or placing of securities of the PRC issuer other than H shares is being made simultaneously with the issue of H shares in Hong Kong or is proposed to be made prior to the end of 3 months after the issue of the listing document in Hong Kong:—
- (1) information concerning such securities and such issue or placing, including the information described in paragraphs 6, 10, 11, 12, 14 and 17;
 - (2) a statement of whether or not the issue in Hong Kong is conditional (in whole or in part) on such issue or placing of securities, and if not conditional, a description of the effect on the PRC issuer's future plans, prospects and financial condition (including profit forecast, if any) as a result of such issue or placing of securities not being completed in the manner described in the listing document;
 - (3) if such securities are not admitted for listing on any stock exchange, a statement of whether there is (or is proposed to be) trading or dealing in such securities on any other authorised trading facility) in the PRC;
 - (4) a breakdown of the PRC issuer's shares issued or proposed to be issued; and
 - (5) information concerning each legal person or individual expected to hold domestic shares or foreign shares other than H shares constituting 10 per cent or more of the issued share capital of the PRC issuer upon the completion of such issue or placing of domestic shares or foreign shares other than H shares, and the number of domestic shares or foreign shares other than H shares to be held by each such legal person or individual.
45. Particulars of the quorum and voting requirements for general meetings of shareholders and for separate meetings of holders of domestic shares and foreign shares (and, if applicable, H shares).
46. A statement of whether or not the PRC issuer will have sufficient foreign exchange to pay forecasted or planned dividends on H shares and to meet its foreign exchange liabilities as they become due, with particulars of the anticipated sources of such foreign exchange.
47. In an appropriately prominent place and manner in the listing document, the statements by the acquirer of shares required to be in a PRC issuer's listing document pursuant to rule 25.39.
48. A general statement on the front page of the listing document to the following effect:
- "The Company is incorporated, and its businesses are located, in the mainland of the People's Republic of China ("Mainland"). Potential investors in the Company should be aware of the differences in the legal, economic and financial systems between the Mainland and Hong Kong, the Special Administrative Region of the People's Republic of China ("HKSAR") and that there are

different risk factors relating to investment in Mainland-incorporated businesses. Potential investors should also be aware that the regulatory framework in the Mainland is different from the regulatory framework in HKSAR and should take into consideration the different market nature of the shares of the Company. Such differences and risk factors are set out in the sections headed'. ' on pages."

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

NOTES

- 1 *In cases where the directors of the issuer are responsible for part of the listing document, the directors of another company being responsible for the remainder, the statement should be appropriately adapted. In exceptional cases the Exchange may require other persons to give, or join in, the statement of responsibility in which case the listing document should also be modified appropriately.*
- 2 *Under paragraphs 8, 24, 25, 26, 28, 29(1)(b), 30, 33, 38(3), 39, 40, 41, and 42, reference to the group is to be construed as including any company which will become a subsidiary of the issuer by reason of an acquisition which has been agreed or proposed since the date to which the latest audited accounts of the issuer have been made up.*

- 3 *Where the listing document refers to an amount proposed to be raised in excess of the minimum amount indicated under paragraph 10(2), the listing document must explain the impact of the issuer and its business of raising such excess amount. In this regard, a statement that the excess will represent working capital should not be adequate unless a reasonably detailed explanation is given as to how such working capital is to be applied.*
- 4 *Any right to revise or extend the offer period or period during which the subscription list is open, as stipulated in the listing document must:—*
- (a) be limited to possible delays caused by a tropical cyclone warning signal or such similar extraneous factors affecting whether the stated closing date is a banking day or not, as are acceptable to the Exchange; and*
 - (b) be set out in the details included in the listing document; and*
- subject to any such qualifications acceptable to the Exchange, the closing date of the offer period and the period during which the subscription list is open, as stated in the listing document, may not be revised or extended and may not be subject to any unilateral right on the part of the issuer, the underwriter or any other person to revise or extend such date or period.*
- 5 *Where the issuer is entitled to avail itself, and has availed itself, of the benefit of any of the provisions, of Part III of the Tenth Schedule to the Companies Ordinance, nothing herein shall require any financial information to be included in the listing document which need not be disclosed in a balance sheet or profit and loss account of the issuer which is drawn up in accordance with that Ordinance by virtue of any of those provisions or as a direct effect or result of any of those provisions.*
- Insurance and shipping companies will not be entitled to avail themselves of the benefits of the provisions of Part III of the Tenth Schedule to the Companies Ordinance.*
- 6 *For the purposes of paragraph 38 particulars should be given of the extent of any duplication which occurs.*
- 7 *Issuers who are in any doubt as to the appropriate category in which an interest should be shown for the purpose of paragraph 38(2), are encouraged to consult the Exchange for further guidance.*
- 8 *References to directors or proposed directors in paragraphs 8, 26(1), 31(2), 34, 38, 39, 40 and 43 shall also mean and include supervisors and proposed supervisors, as appropriate. For purposes of applying paragraph 38 to each supervisor of a PRC issuer, paragraph 38 should be interpreted as if the SDI Ordinance applied to such persons to the same extent as directors.*