

TABLE OF CONTENTS

	Page
About Wolters Kluwer Hong Kong Limited	iii
About the Author	v
Foreword	vii
Preface	ix
Acknowledgements	xiii
Note	xv
Abbreviations, Short Forms and Usage.....	xvii
Chapter 1 Introduction to GEM	
¶1-100 Introduction	2
¶1-110 Hong Kong Stock Market.....	4
¶1-200 H-share Companies/Red Chips/ P-Chips and GEM.....	5
¶1-300 Development of the Hong Kong Stock Market and the Growth Enterprise Market.....	8
¶1-310 Historical Background.....	8
¶1-311 Pre-Main Board: Pre-1996.....	8
¶1-312 Pre-GEM Period: 1985 – 1996	9
A. First Initiative: 1987	
B. Second Initiative: 1990 – 1991	
¶1-313 Period of False Start: 1993 – 1996.....	10
¶1-314 Preparation for GEM: 1997 – 1999.....	10
Consultation Paper: 1998	
¶1-315 Post-Launch Development: 1999 – 2005	12
Internal Management of GEM	
¶1-316 Second Board: 2006 – 15 February 2018	15
¶1-317 Latest Changes - Joint Statement Between the SFC and the Exchange on 20 January 2017	16
¶1-318 Standalone Board: 15 February 2018 – present	17
¶1-319 Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect.....	17
¶1-400 Hong Kong Exchanges and Clearing Limited (“HKEx”)... 19	19
¶1-410 HKEx structure	19
¶1-411 HKSE — Stock Market	19
¶1-412 HKFE — Derivatives Market.....	20

	Page
¶1-413 HKSCC — Stock Settlement	20
¶1-420 HKEx Organisational Structure.....	21
¶1-430 HKEx Market Functions.....	22
¶1-500 Stock Market Regulatory Agencies.....	23
¶1-510 Securities and Futures Commission (“SFC”).....	23
¶1-520 The Stock Exchange of Hong Kong Limited (“SEHK”)	25
¶1-530 SFC and HKSE as Regulators	25
¶1-600 Why List on HK Stock Market?.....	26
¶1-610 Global Ranking in Terms of Capital Raised — Vote of Confidence and Reputation	26
¶1-620 Strong Market Liquidity.....	27
¶1-630 Gateway to Mainland China	27
¶1-640 No. 1 Financial Centre in Asia	30
¶1-650 Freest Economy in the World for More Than 20 Consecutive Years.....	31
¶1-651 Other Ancillary Support.....	31
 Chapter 2 Laws and Regulations Relating to GEM Listings	
¶2-100 Three-Tier Model of Regulation	34
¶2-110 Company Law (Companies Ordinance (Cap 622) and Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32))	35
¶2-120 Securities Law (Securities and Futures Ordinance (Cap 571)).....	35
¶2-130 Listing Rules (Main Board Rules and GEM Rules).....	35
¶2-200 Rules and Regulations Governing GEM Listing	36
¶2-210 Hong Kong Laws, Rules and Codes.....	36
¶2-211 Hong Kong Company Law.....	36
¶2-212 Hong Kong Securities Law & Various Codes.....	36
¶2-213 GEM Rules & Main Board Rules (collectively known as the Listing Rules).....	39
¶2-220 PRC Laws and Regulations.....	39
¶2-221 PRC Company Law	39
¶2-222 PRC Securities Law.....	40
2013 Guidelines.....	42
¶2-300 Companies on GEM Board: Pre-listing Preparation and Consideration	46

	Page
¶2-310 Getting Ready and the Timetable	47
¶2-320 Financial Information	47
¶2-330 Management Team	47
¶2-340 Appointment of Professionals	48
¶2-350 Cost Implications	48
¶2-360 Reorganisation and its Considerations	51
¶2-370 PRC Government Approvals	53
¶2-400 GEM Listing Requirements of the HKSE	59
¶2-500 Development of GEM Rules up to 2013	61
¶2-600 Primary and Secondary Listings	70
 Chapter 3 GEM: Entry Requirements	
¶3-100 GEM	74
¶3-110 GEM as the Second Board and Stepping Stone to the Main Board (1 July 2008 - 14 Feb 2018)	74
¶3-120 GEM as a Standalone Board for Small and Mid-sized Companies (15 Feb 2018 onwards)	77
¶3-200 Differences Between the Entry Requirements of GEM and the Main Board in Hong Kong	79
¶3-210 Suitability for Listing (GEM Rule 11.06)	84
¶3-220 Due Incorporation (GEM Rules 11.05 & 24(1))	86
¶3-230 Open Market – Public Float (GEM Rule 11.23)	88
¶3-240 Financial Threshold – Cash Flow Requirement (GEM Rule 11.12A)	90
¶3-250 Market Capitalisation (GEM Rule 11.23(6))	92
¶3-260 Shareholder Spread (GEM Rule 11.23(2)(b) & 11.23(8))	93
¶3-270 Working Capital Statement (GEM Rule 12.22(13) & 12.23A(1), Paras. 32 & 36 of Part A of Appendix 1, and HKEx Guidance Letter HKEx-GL37-12)	94
¶3-280 Focused Line of Business	96
¶3-290 Continuity and Presence	96
¶3-291 Management Continuity (GEM Rule 11.12A)	96
¶3-292 Ownership Continuity (GEM Rule 11.12A)	97
¶3-293 Management Presence in Hong Kong	98
¶3-300 Offering Mechanism (GEM Rule 10.11A & Practice Note 6)	98

	Page
¶3-400 Appointment of Professionals	100
¶3-410 Appointment of Underwriters (GEM Rule 11.24)	100
¶3-420 Appointment of Sponsor (GEM Rules 6A.02 to 6A.18)	100
A. Independence of Sponsors (GEM Rule 6A.07)	
B. Role and Responsibility of Sponsors (GEM Rule 6A.11 & Practice Note 2)	
C. Responsibility of Issuers to Sponsors (GEM Rule 6A.05)	
¶3-430 Appointment of Legal Counsel	103
¶3-440 Company Personnel	104
A. Directors (GEM Rules 5.01, 5.02 and 5.07)	
a. Independent Non-Executive Directors (GEM Rule 5.05(1))	
b. Board Diversity (A.3 & A.5.6 of Appendix 15 of the GEM Rules)	
B. Company Secretary (GEM Rules 5.14 & 5.15)	
¶3-450 Authorised Representatives (GEM Rules 5.24 to 5.27)	108
¶3-460 Process Agent (GEM Rule 25.07(2)), Receiving Agent (GEM Rule 25.38) and Share Registrar (GEM Rule 25.07(3)) – PRC Issuers Only	108
¶3-470 Compliance Adviser (GEM Rules 6A.19 to 6A.27) – Continuing Obligation	109
¶3-500 Various Committees to be Set Up for Listing	111
¶3-510 Audit Committee (GEM Rules 5.28-5.33, Appendix 15, C.3)	111
¶3-520 Remuneration Committee (GEM Rules 5.34-5.36, Appendix 15, B.11)	113
¶3-530 Nomination Committee (GEM Rules, Appendix 15, A.5)	114
¶3-540 Corporate Governance Committee or the Board Fulfilling Such Functions (GEM Rules, Appendix 15, D.3)	115
¶3-550 Risk Committee (GEM Rules, Appendix 15, L (d)(v))	115
¶3-600 Financial Information	116

	Page
¶3-610 Profit Forecast & Business Objectives (GEM Rules 11.15 & 18.08(A)).....	116
¶3-620 Use of Proceeds (GEM Rules, Appendix 1A, paras 48–50)	118
¶3-630 Accountants Report (GEM Rules 7.12, 7.13 & 11.10)	118
¶3-631 Financial Reporting Council (the “Council”).....	119
¶3-700 Property Titles and Valuation (GEM Rules 11.16 to 11.19 & Chapter 8).....	120
¶3-710 Why Is It a Problem to Obtain Long-term Title for PRC Properties?	121
¶3-800 Non-Competition (GEM Rules 11.03 and 11.04)	125
¶3-900 Special Companies: Project and Mineral Companies ...	127
¶3-910 Project (Infrastructure Project) Companies (GEM Rule 11.14(1)).....	127
¶3-911 Mineral Companies (GEM Rule 11.14(2), Chapter 18A & Practice Note 4)	127
¶3-1000 Other Equities (GEM Rule 11.23(3)(a))	129
¶3-1100 Dispute Resolution (for H-share companies only)	129
¶3-1200 Securities to be Listed (GEM Rules 11.25-29).....	130
¶3-1300 Summary	130
 Chapter 4 GEM Post-listing Continuing Obligations	
¶4-100 Moratorium (GEM Rules 13.16A & 13.19).....	137
¶4-200 No Further Share Issue in the First Six Months after Listing	139
¶4-300 Fundamental Change in the Nature of the Business (GEM Rules 17.25, 19.88 & 19.89)	140
¶4-400 Maintenance of Public Float	140
¶4-500 Sufficient Level of Operations.....	142
¶4-600 Yearly, Half Yearly and Quarterly Reports	142
¶4-700 Disclosure of Inside Information	143
¶4-800 Notifiable Transactions	147
¶4-810 Definition of “Transaction”.....	147
¶4-820 Classification of Transactions	149
¶4-821 Asset Ratio (GEM Rules 19.07(1), 19.09 to 19.12, 19.16, 19.18 & 19.19).....	150
¶4-822 Consideration Ratio (GEM Rules 19.07(4) & 19.15)	150

	Page
¶4-823 Profit Ratio (GEM Rules 19.07(2), 19.13 & 19.17)	150
¶4-824 Revenue Ratio (GEM Rules 19.07(3), 19.14 & 19.17)	150
¶4-825 Equity Capital (EC) Ratio (GEM Rule 19.07(5))	150
¶4-830 Notification, Publication and Shareholders' Approval Requirements	151
¶4-840 Exemptions for Qualified Property Acquisitions Constituting Major Transactions or Very Substantial Acquisitions	152
¶4-900 Connected Transactions	153
¶4-910 Definition of "Connected Transaction"	154
¶4-920 Connected Transactions and H-share Companies	156
¶4-930 Who Are the Connected Persons? (GEM Rule 20.07)	158
¶4-931 Definition of a Connected Person (GEM Rule 20.07)	158
¶4-932 Connected Persons That May Have Associates (GEM Rules 20.07(1) to (3))	162
¶4-933 Associate of a Connected Person (GEM Rules 20.07(4) & 20.10)	162
A. If a Connected Person is a Natural Person, Who is His/hers Associate?	
B. If a Connected Person is a Legal Person, Who is its Associate?	
C. Associates only for PRC Issuers – Joint Venture Scenario	
a. Joint Venture Scenario: When the Connected Person is a Natural Person	
b. Joint Venture Scenario: When the Connected Person is a Legal Person (e.g. Company A)	
D. Connected Subsidiary (GEM Rule 20.14(1) & (2))	
E. Deemed Connected Person (GEM Rules 20.17–20)	
¶4-934 Transactions with Third Parties Who Are Not Connected Persons May Become Connected Transactions	172
A. Financial Assistance to/from Commonly Held Entities (GEM Rules 20.23, 20.24, 20.25)	

	Page
B. Transaction with Third Parties (GEM Rule 20.26 & 20.27)	
¶4-940 One-off Connected Transactions vs. Continuing Transactions	175
¶4-950 Compliance Requirements for Connected Transactions	175
¶4-951 Circular (GEM Rule 20.44)	176
¶4-952 Annual Reporting (GEM Rules, 20.47 & 20.69).....	178
¶4-953 Annual Review (for continuing connected transactions only)	179
¶4-954 Requirements for Connected Transactions Involving Option Arrangements.....	182
¶4-960 Exemption from the Requirements for Connected Transactions (GEM Rules 20.31 & 20.71)	183
¶4-961 Exemptions from Connected Transaction Compliance Requirements	185
¶4-970 Checklists (GEM Rule 20.64)	186
¶4-980 Summary	187
 Chapter 5 IPO Process for GEM Listing	
¶5-100 Different Methods of Listing	191
¶5-110 Offer for Subscription and Offer for Sale	191
¶5-120 Placing	191
¶5-130 Introduction	191
¶5-200 Common IPO Structures in Hong Kong.....	192
¶5-210 Placing vs. Offer for Subscription	193
¶5-220 Aligning GEM Requirements with Main Board Requirements	194
¶5-300 IPO Process	194
¶5-310 Appointment	195
¶5-320 Kick-off Meeting (three to nine months from listing)	195
¶5-330 IPO Preparation (three to four months before Form 5A filing)	195
¶5-331 Discussing Publicity Restrictions	196
A. Exemption	
B. The Offer Awareness Guidelines and ePO Guidelines	

	Page
¶5-332	Reviewing Pre-deal Research 201
¶5-333	Conducting Practice Note 2 (“PN2”) Due Diligence..... 202
	A. What is PN2?
	B. Attitude of the Sponsor
	C. Record Retention
	D. Third-Party Professionals
	E. Extent of N2 Due Diligence
	F. Due Diligence at Work
¶5-334	Review Compliance with the Pre-IPO Investment Guidelines (if applicable) 206
	A. Special Rights Not allowed
	B. Rights Only Allowed Under Certain Circumstances
	C. Rights That Are Allowed
¶5-335	Drafting Meetings 214
¶5-336	Preparing Verification Notes 215
¶5-400	Application Procedures..... 215
¶5-410	Application Proofs..... 215
¶5-420	Before Form 5A Submission..... 218
¶5-430	Form 5A Submission (draft timetable to be agreed with the HKSE before submission) (GEM Rules 12.12 to 12.14, 12.22 to 12.23 & additional information in Form G104 to be submitted with Form 5A)..... 219
¶5-431	Additional Documents for Issuers with Operations in the PRC and H-share Issuers (GEM Rule 25.17A, Checklist G104)..... 224
¶5-440	After Form 5A Submission (Guidance Letter HKEx-GL58-13 & Guidance Letter HKEx-GL55-13)..... 225
¶5-450	Vetting and Review Process 226
¶5-451	Streamlined Application and Regulatory Commenting Process 226
¶5-452	Initial 3-day Check of Listing Applications During a Transitional Period (already discontinued after the transitional period) 227
¶5-453	Accelerated Review Process for Returned Listing Applications 227

	Page
¶5-454 Vetting Process.....	233
¶5-460 Pre-Deal Research and Investor Education Stage.....	234
¶5-470 Book-building and Roadshow.....	235
¶5-480 PHIP Posting.....	236
¶5-490 After the Listing Hearing Date and Before the Bulk Print (GEM Rule 12.23A & HKEEx-GL55-13).....	238
¶5-500 On or Before the Issue of the Listing Document (GEM Rules 12.24, 12.25 & HKEEx-GL55-13).....	240
¶5-510 Application for Authorisation for Registration of a Prospectus (Section 342 of Cap 32).....	242
¶5-520 After the Issue of the Listing Document but Before Dealings Commence (GEM Rules 12.26, 16.17(2)(b) & HKEEx-GL55-13).....	243
¶5-530 Post-Listing.....	245
¶5-600 Summary.....	246
¶5-610 IPO Timetable (GEM).....	246
¶5-620 Summary of Forms and Checklists.....	253
 Chapter 6 GEM IPO Team/Working Parties	
¶6-100 PART A: GEM Working Parties.....	257
¶6-110 Sponsor(s) ('Sponsor').....	257
¶6-111 One or More Sponsors.....	258
¶6-112 Sponsor's Independence (GEM Rule 6A.07 and Appendix 7K).....	258
¶6-113 Sponsor's Role (GEM Rule 6A.11).....	262
¶6-114 Sponsors and Due Diligence (GEM Rules 6A.11(2), 6A.12 & 6A.13).....	262
¶6-115 Chain of Responsibilities.....	263
A. Responsibility of Issuers to Sponsors (GEM Rule 6A.05)	
B. Undertakings and Declarations Required to be Given by Sponsor (GEM Rule 6A.03 and Appendix 7K)	
¶6-116 Latest Amendments (Effective 1 October 2013) to Companies Ordinance, Listing Rules, Codes and Guidelines.....	265
A. Appointment and Fees	

	Page
B. Expert Reports (Revised Paragraph 17.7 of the Code of Conduct)	
C. Record Retention (Revised Paragraph 17.10 of the Code of Conduct)	
D. Cooperation from Financial Adviser (Revised Paragraph 17.11(b)(i)(B) of the Code of Conduct and Revised Paragraph 5.4 of the CFA Code)	
¶6-120 Directors ('Company')	267
¶6-121 Form 5A	268
¶6-122 Form 5E	269
¶6-123 Form 5D (only for placing of equity securities)	269
¶6-124 Form 5F	271
¶6-125 Form 6A/6B & 6C	271
¶6-126 Prospectus	272
¶6-127 Disclosure of Interests	273
¶6-130 Pre-IPO Shareholders ('Company')	274
¶6-140 Underwriters	274
¶6-150 Counsels	275
¶6-151 Legal Advisers to the Issuer ("Company's Lawyers")	275
A. Reorganisation	
B. Corporate Housekeeping	
C. Listing Application	
D. Due Diligence and Prospectus	
¶6-152 Legal Advisor to the Sponsors and the Underwriters ("Sponsor's Lawyers")	278
A. Document Review	
B. Due Diligence	
C. Prospectus	
D. Legal Advice	
E. Drafting Documents	
¶6-153 PRC Lawyers ("PRC Lawyers")	280
A. Issuer's PRC Lawyer	
a. Reorganisation	
b. PRC Legal Opinions	
c. Document Drafting	
B. Sponsor's PRC Lawyer	
¶6-160 Auditor and Reporting Accountants ("Accountants")	282

	Page
¶6-161 Financial and Tax Due Diligence	282
¶6-162 Accountants' Report	283
Accountant's Qualification	
¶6-163 Unaudited Pro Forma Financial Information	284
¶6-164 Profit Forecast	284
¶6-165 Comfort Letters	285
¶6-166 Prospectus	286
¶6-170 Property Valuers ("Valuers")	287
¶6-171 Valuation Reports	287
¶6-172 Valuers' Qualifications	288
¶6-180 Competent Person (for Mineral Companies Only) ("Competent Person")	289
¶6-190 Placing Agents	290
¶6-200 Research Analysts	290
¶6-210 Investor Relations Firm ("PR Company")	290
¶6-220 Receiving Banks ("Receiving Bankers")	291
¶6-230 Share Registrar and Transfer Office ("Registrar")	291
¶6-240 Financial Printer ("Printer"/ "Translation Company")	292
¶6-250 Compliance Adviser ("Compliance Adviser")	292
¶6-300 PART B: Division of Labour within the Working Parties	294
 Chapter 7 Prospectus for GEM Listing	
¶7-100 Laws and Rules Governing Prospectus Liabilities	303
¶7-110 Companies (Winding Up and Miscellaneous Provisions) Ordinance	304
¶7-111 Exempt Offers (Part 1 of the Seventeenth Schedule of CWO)	305
¶7-112 CWO Content Requirements	306
¶7-113 Registration of the Prospectus (Section 342C of the CWO)	306
¶7-114 CWO Prospectus Liabilities	307
¶7-120 Securities and Futures Ordinance	308
¶7-121 SFO Prospectus Liabilities	309
¶7-122 Market Misconduct	313
¶7-130 Listing Rules	314
¶7-140 Other Legislation Governing Prospectus Liabilities	314

	Page
¶7-141 Theft Ordinance	314
¶7-142 Misrepresentation Ordinance	314
¶7-143 Common Law Liabilities.....	315
¶7-144 Contractual Liabilities	315
¶7-200 Contents of the Prospectus	316
¶7-210 Cover	316
¶7-220 Characteristics of GEM.....	319
¶7-230 Expected Timetable	319
¶7-240 Contents Page.....	320
¶7-241 Over-allotment Option/ Offer Size Adjustment Option ...	321
¶7-250 Main Body of the Prospectus.....	322
¶7-251 Summary and Highlights (GEM Rules 14.08(7) and 17.56)	322
¶7-252 Definition, Glossary and Forward-Looking Statements	330
¶7-253 Risk Factors (GEM Rules 2.06(2), 14.08(7), 14.22 and 17.56(2), and Paragraph 67 of Part A of Appendix 1)	331
¶7-254 Applicable Laws and Regulations (GEM Rules 14.08(7), 17.56(2), 17.102 and 24.09(2) & (3), and Paragraph 7 of Part A of Appendix 1)	335
¶7-255 Waivers.....	337
¶7-256 Information about this Prospectus and the Share Offer	339
¶7-257 Directors, Supervisors and Parties Involved in the Share Offer/ Global Offering	341
¶7-258 Corporate Information.....	342
¶7-259 Industry Overview (GEM Rules 14.08(7) and 17.56(2))	342
¶7-260 History and Development (GEM Rules 14.08(7) and 17.56(2))	346
¶7-261 Business	351
¶7-262 Directors, Supervisors and Senior Management (GEM Rules 5.01, 5.02, 14.08(7) and 17.56, and Paragraph 41 of Part A of Appendix 1, Paragraph 6 of the Third Schedule of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).....	359

	Page
¶7-263 Relationship with Controlling Shareholder.....	361
¶7-264 Connected Transactions.....	365
¶7-265 Share Capital.....	366
¶7-266 Substantial Shareholders.....	367
¶7-267 Financial Information or Management Discussion and Analysis on the Historical Financial Information (MD&A) (GEM Rules 14.08(7), 17.56(2) and 18.41)	368
¶7-268 Sufficiency of Working Capital.....	375
¶7-270 Adverse Material Change.....	376
¶7-271 Future Plans and the Use of Proceeds (GEM Rules 17.56, and Paragraph 48-50 of Part A of Appendix 1, Paras 32 & 33 of the Third Schedule of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).....	378
¶7-272 Future Plan (Statement of Business Objectives).....	378
¶7-273 Use of Proceeds.....	379
¶7-274 Underwriting.....	382
¶7-275 Structure of the Global Offering/ Structure and Conditions of the Share Offer.....	384
A. Structure of the Global Offering	
B. Structure and Conditions of the Share Offer	
¶7-276 How to Apply for Hong Kong Offer Shares (GEM Rules 13.21-13.25, Paragraph 8 of the Third Schedule and Part 4 of the Eighteenth Schedule of the Companies (Winding Up and Miscellaneous Provisions) Ordinance and Paras 5.1.2 and 5.1.5 of the Guide to Eligibility and Admission of Securities to the CCASS (the “CCASS Guide”)).....	388
¶7-277 Appendices.....	390
A. Appendix I — Accountants’ Report	
B. Appendix II — Unaudited Pro Forma Financial Information	
C. Appendix III — Profit Forecast	
D. Appendix IV — Property Valuation	
E. Appendix V — Taxation and Foreign Exchange	
a. PRC Taxation (if applicable)	
b. Hong Kong Taxation	

	Page
F. Appendix VI — Summary of Principal Legal and Regulatory Provisions	
G. Appendix VII — Summary of Articles of Association	
a. Headings (for PRC issuers)	
b. Contents	
H. Appendix VIII — Statutory and General Information	
a. Further Information about the Company	
b. Further Information about the Company's Subsidiaries and Other Establishments	
c. Further Information about the Business	
d. Further Information about the Directors, Supervisors and Substantial Shareholders	
e. Disclosure of Interests	
f. Other Information	
I. Appendix IX — Documents Delivered to the Companies Registry and Available for Inspection	
 Chapter 8 Transfer of Listing from GEM to the Main Board	
¶8-100 GEM as a Stepping Stone for the Main Board before 15 February 2018.....	427
¶8-200 Removal of the Streamlined Process for GEM Transfers to the Main Board after 15 February 2018.....	428
¶8-300 Transitional arrangements.....	431
¶8-310 Qualifications of the Transfer.....	431
¶8-320 Publication Requirements for the Transfer.....	435
¶8-330 Documentary Requirements.....	438
¶8-340 Effects of Transfer.....	440
¶8-400 Summary for the Eligible Issuers during the Transitional Period.....	441
¶8-500 Documentation and Administrative Matters for GEM Transfers and Eligible Transfers.....	442
 Chapter 9 IPO Documentation for GEM Listing	
¶9-100 Sponsors(s).....	450
¶9-110 Sponsors' Agreement.....	450
¶9-120 Due Diligence.....	453

	Page
¶9-130 Sponsor's Undertaking and Statement of Independence (GEM Rule 6A.03, Appendix 7K)	524
¶9-140 Sponsor's Declaration (GEM Rule 6A.13, Appendix 7G).....	526
¶9-150 Sponsor's Declaration (GEM Rule 12.26(8), Appendix 7I)	529
¶9-160 Back-to-back Confirmations	531
¶9-200 Company Lawyer.....	531
¶9-210 Reorganisation Proposal	531
¶9-220 Director's Service Contract.....	532
¶9-230 Share Option Scheme	535
¶9-231 Pre-IPO Share Option Schemes (Chapter 23 of the GEM Rules)	535
¶9-232 Post-IPO Share Option Schemes	535
A. Purpose of the Scheme	
B. Eligible Grantees	
C. Number of Shares to be Issued Upon Exercise of all Options	
D. "Refreshing" the 10% Limit	
E. Maximum Number of Shares Under Outstanding Options	
F. Maximum Entitlement of Each Grantee	
G. Exercise Period	
H. Performance Target	
I. Consideration for the Option	
J. Minimum Exercise Price	
K. Rights Attaching to Shares and the Option	
L. Life of Scheme	
M. Other Provisions	
N. Non-Transferability of Options	
O. Change of Terms	
P. Approvals for Grants of Options	
¶9-240 Articles of Association (GEM Rule 25.01 - for Overseas Issuers & GEM Rule 12.22(2))	539
¶9-250 Shareholders' Resolutions and Board Minutes.....	542
¶9-251 Shareholders' Resolutions.....	542
¶9-252 Board Minutes	543

	Page
A. Documents Required	
B. Resolutions Adopted	
¶9-260 Waiver Application Letters	549
¶9-270 Responsibility Statement	551
¶9-271 Drafting Responsibility Statement	551
¶9-280 Power of Attorney	553
¶9-281 Sample Power of Attorney for H-share Issuers	553
¶9-290 Statement of Interests	554
¶9-291 Directors' Interest and Short Position	554
¶9-292 Substantial Shareholders' Interests and Short Position	556
¶9-293 Three Categories of Persons	556
¶9-294 Promotion of the Company	558
¶9-295 Contracts and Remuneration	558
¶9-296 Other Disclosures	559
¶9-310 Lock-Up Agreement	559
¶9-311 First Phrase: First 12 Months' Lock-Up	560
¶9-312 Second Phrase: Second 12 Months' Lock-Up	560
¶9-313 Acquisition and Disposal of New Securities Following an IPO	560
¶9-320 No Allotment of Shares within Six Months of Listing	560
¶9-330 Letter Explaining Form A/B to the Directors	561
¶9-331 Form A/B Part 1	561
¶9-332 Form A/B Part 2	563
¶9-400 Underwriter's Lawyer	563
¶9-410 Underwriting Agreement	563
¶9-411 Soft Underwriting	564
¶9-412 Hard Underwriting	564
¶9-420 Hong Kong Underwriting Agreement	565
¶9-421 Structure of the Offering	566
Conditions for the Underwriting	
a. Conditions Precedent Documents	
b. Representations and Warranties	
c. Indemnity	
d. Termination	
e. Contentious Clauses	

	Page
¶9-430 Agreement Among Hong Kong Underwriters	570
¶9-440 International Underwriting Agreement	571
¶9-450 Agreement Among International Underwriters.....	571
¶9-460 Inter-syndicate Agreement.....	572
¶9-470 Price Determination Agreement.....	572
¶9-480 Verification Notes.....	573
¶9-490 All Counsel - Legal Opinions	574
¶9-491 Legal Opinions.....	574
¶9-492 US Legal Opinion	575
¶9-493 Bring-Down Confirmations and Closing Certificates.....	576
¶9-500 Accountant's Documents	576
¶9-510 Comfort Letter.....	576
¶9-520 Bring-Down Letter.....	578
¶9-530 Consent Letter	578
¶9-600 Banks - Receiving Banks Agreement	579
¶9-700 Registrar - Registrar Agreement.....	580