

Project on the Use of Plain Language

How to create a clear prospectus

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Contents

	page
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:

<http://www.hksfc.org.hk> (look under codes and guidelines).

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.

Source

S.38, Co Ord

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)

A1-1

New Issue of Shares

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

A1-15(2)(a),
A1-15(2)(c)
3rd Sch (9)

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.

LR 11.20

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.

s.342C(2)

[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

		Source
Last time to lodge pink application forms	<i>Time and date</i>	
Last time to lodge white and yellow application forms	<i>Time and date</i>	3rd Sch (8) A1-15(2)(f)
Application lists open	<i>Time and date</i> *	
Application lists close	<i>Time and date</i>	
Results and basis of allotment of new shares to be published in the [<i>English language newspaper</i>] and the [<i>Chinese language newspaper</i>] on or before	<i>Date</i>	A1-A15(2)(k)
Dispatch of share certificates and refund cheques	<i>Date</i>	
Dealings in new shares start	<i>Date</i>	A1-22

* **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.

Page

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

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:

- | | Source |
|--|--------------------------|
| • <i>The company's business;</i> | A1-28 |
| • <i>The new issue statistics (could include underwriters and their commission);</i> | |
| • <i>Reasons for the issue and the use of the proceeds;</i> | A1-48
3rd Sch (7) |
| • <i>Trading record;</i> | A1-33(1)
3rd Sch (27) |
| • <i>Profit forecast, if applicable.</i> | A1-34(2) |

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.

Definitions

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

Source

A1-2

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

LR 7.03

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

A1-14

[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:

	Source
Directors: <i>(include nationality)</i>	A1-41
Executive directors:	3rd Sch (6)
Non-executive directors:	
 Sponsor and Manager:	 A1-3
 Underwriters:	 A1-15(2)(h)
 Legal advisers:	 A1-3
To <i>[Company name]</i> :	
To the Underwriters:	
 Auditors and reporting accountants:	 A1-4
 Property valuers:	
 Receiving bankers:	

1.9 Corporate Information

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

Corporate information

	Source
Registered office:	A1-43
Head office and principal place of business:	A1-6
Company secretaries:	A1-42
Authorised representatives:	A1-3
Bermuda resident representatives:	
Principal bankers:	
Principal share registrar and transfer office:	A1-3
Hong Kong branch share registrar and transfer office:	

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 sub-headings 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.

Business

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.

Source

Generally - A1-28 - 31
3rd Sch (1)

Industry overview and background:

Group structure:

A1-28(2)

Description of the business:

A1-28(1)(a)
3rd Sch (1)

History and development

Products:

Production facilities:

Raw materials:

Design and product development:

Production processes:

Quality control:

Research and technology development:

A1-28(5)

Sales and marketing:

Intellectual property:

A1-28(4)

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

	Source
Directors:	A1-41 3rd Sch (6)
Senior management	A1-41
Staff:	A1-28(7)
<i>Sub-headings for this section could include:</i>	
Overview of staff numbers	
Benefit schemes <i>(Include details of pension scheme and provision of staff quarters)</i>	
<i>[Company name's]</i> relationship with staff	
Share Option Scheme	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.

Substantial shareholder(s)

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:

Source
3rd Sch (30)
A1-45

Name	Number of shares	Percentage of voting power
-------------	-------------------------	-----------------------------------

1.13 Share Capital

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

Share capital

	\$	Source
Authorised share capital:		3rd Sch (2)
X,000,000 shares	X,000,000	
<hr/>		
Issued shares:		A1-23(1)
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	
<hr/>		
Total:		
Y+Z,000,000 shares	Y+Z,000,000	
<hr/>		

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
Indebtedness:	Generally A1-32 - 40
	A1-32
Borrowings	3rd Sch (23) &(24)
Security	
Disclaimer	
Principal shareholder's release from guarantees	
Liquidity, financial resources and capital structure:	
Net current assets	A1-32(5)
Borrowings and bank facilities	
Working capital	A1-36
Directors' opinion of the net current asset position	A1-36
Trading record:	A1-33(1)
	3rd Sch (27)
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:	A1-39 & Chapter 5
	3rd Sch (34)
Property owned in Hong Kong SAR	
Property owned in Mainland China	
Property leased in Hong Kong SAR	

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.

	Source
Underwriting arrangements and expenses:	
Underwriting agreement	<i>A1-15(2)(i)</i>
Grounds for termination	
Undertakings	<i>LR 10.07</i>
Commission	<i>A1-13, 3rd Sch (14)</i>
Underwriter's interest in <i>[Company name]</i>	

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

Source

Price payable on application:

3rd Sch (9)

Issue price of \$X plus 1% brokerage and a 0.013% Stock Exchange transaction levy. A total of \$XX per new share.

A1-15(2)(c)

Conditions of the new issue:

A1-15(2)

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

	Source
1. Accountant's report	<i>3rd Sch (31), (32), (33), (42) & (43) A1-35 & 37 Chapter 4</i>
2. Profit forecast	<i>A1-34(2)</i>
3. Property valuation	<i>A1-39, Chapter 5 3rd Sch (34), (42) &(46)</i>
4. Summary of the constitution of the company and Bermuda company law	<i>App 3, A1-7 3rd Sch (5), (20) &(22)</i>
5. Statutory and general information	<i>see following pages</i>
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]:	Source:
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] <i>eg, information about principal Mainland China joint ventures</i>	

Further information about directors, management and staff:

A1-28

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:

A1-44, Chapter 17

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:

Estate duty and tax indemnity	A1-10
Litigation	A1-40
Sponsor	
Minimum subscription	3rd Sch (7) Bermuda Act s.28
Preliminary expenses	A1-20
Promoter	A1-8
Qualifications of experts	A1-9(1)
Consents of experts	A1-9(2), s.342B, s.38C
Binding effect	ss44A, 44B, s.342B
Miscellaneous	

[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 (白表) 如要求以你的名義登記獲配新股，請用本表格

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 howsoever arising from or in reliance upon the whole or any part of this application form.

香港聯合交易所有限公司及香港中央結算有限公司對本申請表格內容概不負責，對其準確性或完整性亦不發表任何聲明，並表明不會就本申請表格全部或任何部分內容或因依據該等內容而引致的任何損失承擔任何責任。

A copy of this application form, together with copies of the yellow and pink application forms, the prospectus dated [date] issued by [Company name] and the other documents specified in the appendix headed "Documents delivered" in the prospectus, have been registered by the Registrar of Companies in Hong Kong as required by Sections 342C of the Companies Ordinance of Hong Kong. A copy of this application form, together with copies of the yellow and pink application forms and the prospectus, have also been filed with the Registrar of Companies in Bermuda. The Registrar of Companies and the Securities and Futures Commission in Hong Kong and the Registrar of Companies in Bermuda take no responsibility as to the contents of any of these documents.

本申請表格連同黃色及粉紅色申請表格、由[公司名稱]發出日期為[日期]的招股章程及招股章程附錄中“送呈公司註冊處文件”一節所述的其他文件，已遵照香港《公司條例》第342C條的規定，送交香港公司註冊處註冊存案。此外，本申請表格連同黃色及粉紅色申請表格及招股章程，亦已提交百慕達公司註冊處存案。香港公司註冊處處長、證券及期貨事務監察委員會及百慕達公司註冊處處長對任何此等文件的內容概不負責。

**Staple your
payment
here
在此釘緊
申請股款**

[COMPANY NAME] LIMITED (公司名稱) 有限公司
(Incorporated in Bermuda with limited liability) (在百慕達註冊成立的有限公司)

New Issue 新股發售

Application form 申請表格

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.

截止接受申請時間：[日期] 中午12時

請細閱本表格所附載的條款及指示
必須清楚填妥本表格各部

To: [Company name]
[The Underwriters]

致： [公司名稱]
[包銷商]

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 names(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.

我/我們：

- 按照招股章程及本申請表格所載條款及條件，與[公司名稱]的公司章程及附例所載的各項規定，**申請**以下數目的新股；
- 夾附申請股份所需的全數股款（包括1%經紀佣金及0.013%由聯合交易所徵收的交易徵費）；
- **承諾及同意**接納所申請的股份，或任何就本項申請分配給我/我們較申請股數為少的股份；
- **聲明**是項申請是我/我們或我/我們為本身的利益或我/我們為其利益而提出申請的人士的利益所作出的或擬作出的唯一白表或黃表申請；
- **確認**知悉[公司名稱]將倚賴本聲明及陳述，以決定是否因應本項申請而分配任何股份；
- **授權**[公司名稱]將我/我們的姓名/名稱列入[公司名稱]股東名冊內，作為任何獲分配的股份的持有人，及以平郵寄發任何股票及退款支票往本申請表格所示地址，郵誤風險概由我/我們承擔；
- **確認**已閱讀本申請表格及招股章程所載條款、條件及申請手續，並同意遵守。

Signed by all applicants: 所有申請人簽署：

.....
.....

Date 日期：...../...../.....

Warning:

Only one application may be made for the benefit of any person on a white or yellow application form. Multiple applications will be rejected. You may be prosecuted if you make a false declaration.

For Broker use 此欄供經紀填寫

Lodged by 申請由以下經紀遞交

Broker No. 經紀號碼					
Broker's Chop 經紀印章					

重要提示：

只能為任何人的利益作出一項白表或黃表申請。多重申請將不獲接納。如作出虛假聲明，可能會被檢控。

[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 on behalf 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.

[Employees 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; 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).

D. Allocation of shares - Pools A and B

Of the X million shares being offered, Y 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 Z 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 of at least C 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\$D 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.

Applicants may only apply for shares in either pool A or pool B, not both.

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 nominee) 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 agent:
[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 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.

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 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 as 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 HK\$X.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;
 - show your account name. This name must either be pre-printed on the cheque, or be endorsed on the back by a person authorised 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.If you pay by banker's cashier order:
 - you must purchase the order, and have your name certified on the back by a person authorised 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.
4. Tear off the application form, fold the form once and lodge it in one of the special collection boxes at any of these branches of Blank Bank:
[address]
[address]
[address]
[address]
[address]
[address]
 5. Your application form can be lodged at these times:
Tuesday DD/MM/YY 9 a.m. to 4 p.m.
Wednesday DD/MM/YY 9 a.m. to 4 p.m.
Thursday DD/MM/YY 9 a.m. to 4 p.m.
Friday DD/MM/YY 9 a.m. to 12 noon
 6. The last time for lodging your application is 12 noon on [date]. The application lists will be open between 11.45 a.m. and 12 noon on that day, subject only to the weather conditions. The application lists will not be open if there is:
 - a tropical cyclone warning signal number 8 or above, or
 - a "black" rainstorm warningin 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 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.
 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 moneys.

TABLE OF MULTIPLES AND PAYMENTS

--

[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. 如屬商號，則須以商號內個別成員而非以商號的名義申請。
3. 如屬法人團體，申請表格須由該法人團體正式獲授權負責人簽署，並須註明簽署人的職銜。
4. 下列人士不得申請任何是次發售的新股：
 - [公司名稱] 的現有股份的實益擁有人；
 - [公司名稱] 行政總裁或董事；或
 - 上述任何人士的聯繫人（按照「聯繫人」在《上市規則》內的定義）；
 - [其他人士]

B. 你是代名人

代名人可以本身名義，代表不同擁有人提交超過 1 份申請，惟須於申請表格上「由代名人遞交」一欄填寫每名實益擁有人的：

- 帳戶號碼；或
- 其他識別編碼。

如未有列明以上資料，則申請表格將視作爲你本身利益而遞交。

C. 只可爲你本身的利益提交一份申請

重複申請或涉嫌重複申請概不受理。

如你、或你連同聯名申請人作出以下任何一項行爲，你的所有申請概不受理：

- 以白表或黃表遞交超過一份申請；
- 以粉紅表遞交超過一份申請；
- 以白表或黃表申請是次公開發售新股總數 50% 以上的股份；或
- 以粉紅表申請超過優先發售予僱員的新股總數。

[已經以粉紅表申請股份的[公司名稱] 僱員，亦可提交白表或黃表申請。]

如接獲超過一份爲你的利益提出的申請，則你所有申請均會視爲重複申請而概不受理。如申請人並非爲上市公司，而

- 該公司只從事證券買賣；及
- 你對該公司可行使法定控制權，

該項申請將視作爲你本身的利益提出。

非上市公司指其股本證券並沒有在聯交所上市的公司。

法定控制權指：

- 有權控制該公司董事局的組成；或
- 有權控制該公司一半以上投票權；或
- 持有該公司一半以上已發行股本（不計入該股本中無權就分派盈利或資本而分享某個指定數額的某個部分的股本）。

D. 股份的分配 — 甲組及乙組

是次公開發售的 X 百萬新股中，有 Y 百萬股（佔發售新股總數 10%）撥作供[公司名稱]或其附屬公司的僱員以粉紅表申請。此外，最少有 Z 百萬新股（佔發售新股總數 90%）供公眾以白表或黃表申請。爲符合新股發售的分配規定，供公眾申請的全數新股將均分爲甲、乙兩組，每組新股總數最少爲 C 百萬股。甲組股份將按公平原則，只分配予申請股份價值港幣 500 萬元或以下（不包括經紀佣金及交易所交易費），並已提交有效申請表格的申請人士。乙組股份亦按公平原則，只分配予申請股份價值港幣 500 萬元以上（最高限額相等於乙組股份的總值 [即港幣 D 百萬元]，但不包括經紀佣金及交易所交易費），並已提交有效申請表格的人士。

請注意，甲組股份及乙組股份的申請很可能按不同比例獲分配新股。

如任何一組股份未獲全數申請，則該組未獲申請新股將撥入另一組以供分配。

申請人只能申請甲組或乙組股份，不得同時申請兩組股份。

E. 填妥本申請表格的效用

本申請表格一經填妥後，即表明你（如屬聯名申請人，則你們共同及個別）—

- 指示及授權[保薦人]（或其代名人）代辦一切必需手續，以登記任何新股在你名下，及辦理其他程序，以完成招股章程內各項安排；
- 承諾簽署所有文件及辦理所有必要手續，以便按照[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，僅依據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其他各方須負上的責任，只限於招股章程載列的資料及陳述；
- 同意（在不影響你可能擁有的其他權利下）本申請一經接納，便不可因無意作出的失實陳述而將其撤銷；
- （如本申請是爲你本身的利益提出）保證這是爲你本身的利益提交的唯一白表或黃表申請；
- （如你是他人的代理人）保證這是爲該人利益提交的唯一白表或黃表申請，而你已獲正式授權，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，均受香港法律管轄，並須按其詮釋；及
- 同意應[公司名稱]或其代理人要求，向其披露關乎你的個人資料。

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

F. 透過代表申請股份

如你透過根據授權書而獲得適當授權的人士提出申請，[公司名稱]及其代理人[保薦人]可在符合其認爲適當的條件（包括須取得證明你的代表已獲授權的證據）的情況下，酌情接納有關申請。

新股的分配

新股分配在認購申請登記截止後開始。在[日期]後不再分配任何新股。

[公司名稱]預期於[日期]發表發售及分配新股的結果，並將在[日期]出版的[英文報章]及[中文報章]公布上述的結果。

成功申請新股

凡已在申請表格上表明擬親自領取股份者，可在[公司名稱]在報章上公布的日期當日（即股票派發日期）上午 9 時正至下午 1 時正，親身前往以下地點領取：

[地址]

[地址]

股票預計將於[日期]派發。

領取股票須出示身分證明。

未經領取的股票，將在股票派發日期後，盡快以平郵寄往申請表格所示地址，郵誤風險概由申請人承擔。

如你未有在申請表格上表明擬親自領取股票，你獲分配的股票將在股票派發日期當日，以平郵寄往申請表格所示地址，郵誤風險概由你承擔。

[公司名稱]不會發出任何證明股份所有權的臨時文件。

(白表) 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. 公司或其代理人行使酌情權：

[公司名稱] 及 [公司名稱] 的代理人 [保薦人]，可全權決定是否接納任何申請，或只接納某部分的申請。
[公司名稱] 及其代理人均毋須解釋接納或拒絕任何申請的原因。

2. 申請不予受理：

以下情況將導致申請被拒：

- 重複申請；
- 未有填妥申請表格；
- 不按規定方式繳付股款；或
- 你以支票付款，但該支票在首次過戶時不獲兌現。

3. 申請不獲接納：

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；
- 包銷協議遭終止。

4. 如你撤銷申請：

申請表格一經填妥，即表明你同意於 [日期] 前不撤銷申請。本協議將成為與 [公司名稱] 訂立的附帶合約，並將在遞交申請表格即具有法律約束力。本合約的訂立條件包括 [公司名稱] 同意除按照本招股章程外，不會於 [日期] 前向任何人發售任何新股。
只有當根據《公司條例》第 40 條對本招股章程負責的人士發出公開通知，免除或限制其對本招股章程須負上的責任，才可在上述日期前撤銷申請。
申請一經接納，不得撤銷。

5. 如分配股份作廢：

如上市委員會在下列期間並未批准新股上市，分配股份將會作廢：
• 截止認購申請後 3 星期內；或
• 如上市委員會在截止接受認購申請 3 星期內知會 [公司名稱] 延展有關期限，則最長在接受認購申請後 6 個星期內。

退還款項

凡因上述任何原因未獲分配任何新股，[公司名稱] 將不計利息退還已繳付的申請股款。凡申請只獲部分接納，[公司名稱] 將把按比例計算的申請股款、經紀佣金及交易徵費，不計利息退還予申請人。

所有退款以支票發還，退款支票將劃線註明“只准入收款人帳戶”，並由你作為收款人，或如屬聯名申請人，則以申請表格上排名首位申請人為收款人。

凡未有在申請表格上表明擬親自領取退還股款，則退款將以平郵寄往申請表格所示地址，郵誤風險概由申請人承擔。

凡已在申請表格上表明擬親自領取退款者，可在 [公司名稱] 在報章上公布的日期當日（即發還退款日期）上午 9 時正至下午 1 時正，親身前往以下地點領取：

[地址]

[地址]

退款預計於 [日期] 發還。

領取退款必須出示身分證明。

未經領取的退款，將在退款發還日期後，盡快以平郵寄往申請表格上所示地址，郵誤風險概由申請人承擔。

[公司名稱] 擬作出特別安排，盡力避免延誤發還退款。

申請手續

1. 按照下表計算擬申請股數及應繳股款。申請股數最少須為 X,000 股。X,000 股以上的申請，須按照表上載列的倍數提出。申請人須繳付每股發售價港幣 X.00 元，另加經紀佣金 1% 及交易徵費 0.013%。下表列出不同申請股份倍數的應繳股款總額。

2. 填妥及簽署申請表格。請注意：[公司名稱] 只接納親筆簽名。

3. 付款支票須緊釘於申請表格上。申請股款必須以支票或銀行本票支付。

如以支票付款，該支票必須：

- 為港幣支票；
- 由港元銀行帳戶開出；
- 顯示你銀行帳戶名稱，而該戶名須已預印在支票上，或由有關銀行授權人在該票背面簽署證明戶名。該帳戶必須是你名下帳戶。如屬聯名申請，該戶名必須與排名首位申請人的姓名相同；
- 註明抬頭人為“XX 銀行（代名人）有限公司— XX 發售新股”；及
- 劃線書明“只准入收款人帳戶”。

下列情況將導致申請不獲接納：

- 支票未能符合所有上述規定；或
- 支票首次過戶不獲兌現。

以銀行本票繳付股款的手續：

- 購買本票，並由發出本票銀行授權人在本票背面簽署證明購買人姓名。本票顯示姓名須與申請表格所示的姓名相同；如屬聯名申請，本票所示姓名必須與排名首位申請人的姓名相同；

- 註明抬頭人為“XX 銀行（代名人）有限公司—發售新股”；及

- 在本票上劃線書明“只准入收款人帳戶”。

本票如不符合上述要求將概不受理。

4. 撕下申請表格，對摺一次，然後投入 XX 銀行下列分行特設的收集箱內：

[地址]

[地址]

[地址]

[地址]

[地址]

[地址]

5. 可於下列時間內提交申請表格：

星期二 [年 月 日] 上午 9 時正至下午 4 時正

星期三 [年 月 日] 上午 9 時正至下午 4 時正

星期四 [年 月 日] 上午 9 時正至下午 4 時正

星期五 [年 月 日] 上午 9 時正至中午 12 時正

6. 申請表格必須於 [年 月 日] 中午 12 時正或之前遞交。惟須視乎當日天氣情況而定，認購申請將於當日上午 11 時 45 分至中午 12 時正期間接受登記。如下列警告信號在當日上午 9 時正至中午 12 時正內任何時間仍然生效，將不會接受申請：

- 8 號或以上的上熱帶氣旋警告信號，或
- “黑色”暴雨警告信號。

如在該日的下一個營業日上午 9 時正至中午 12 時正內任何時間並無懸掛上述任何一項警告信號，申請登記將改為在下一個營業日上午 11 時 45 分至中午 12 時正期間內繼續進行。

營業日指星期六、日或公眾假期以外的日子。

7. 繳付股款支票或本票將不會於 [日期] 前過戶。[公司名稱] 將不發回付款收條。[公司名稱] 將保留你的申請股款所得利息。

申請股數及應繳股款一覽表