

# Chapter 8

## EQUITY SECURITIES

### QUALIFICATIONS FOR LISTING

#### Preliminary

8.01 This Chapter sets out the basic conditions which have to be met as a pre-requisite to the listing of equity securities. They apply to every method of listing and to both new applicants and listed issuers (including listed issuers that are treated as new applicants under other applicable provisions of the Exchange Listing Rules) except where otherwise stated.

Further conditions which have to be met by infrastructure companies, mineral companies, overseas issuers, PRC issuers and depositary receipt issuers are set out in rule 8.05B(2) and Chapters 18, 19, 19A and 19B. For a transfer of listing from GEM, the requirements of this Chapter are applied with modifications as set out in the rules and regulations under Chapter 9A for that purpose. Issuers are reminded:—

- (1) that these requirements are not exhaustive and that the Exchange may impose additional requirements in a particular case; and
- (2) that the Exchange retains an absolute discretion to accept or reject applications for listing (including application for transfer of listing from GEM to the Main Board) and that compliance with the relevant conditions may not of itself ensure an applicant's suitability for listing.

Prospective issuers, and in particular new applicants, are therefore encouraged to contact the Exchange to seek informal and confidential guidance as to the eligibility of a proposed issue for listing at the earliest possible opportunity.

#### Basic Conditions

- 8.02 The issuer must be duly incorporated or otherwise established under the laws of the place where it is incorporated or otherwise established and must be in conformity with those laws and its memorandum and articles of association or equivalent documents.
- 8.03 An issuer which is a Hong Kong company must not be a private company within the meaning of section 11 of the Companies Ordinance.
- 8.04 Both the issuer and its business must, in the opinion of the Exchange, be suitable for listing.
- 8.05 The issuer must satisfy either the profit test in rule 8.05(1) or the market capitalisation/revenue/cash flow test in rule 8.05(2) or the market capitalisation/revenue test in rule 8.05(3).

### ***The profit test***

- (1) To meet the profit test, a new applicant must have an adequate trading record under substantially the same management and ownership. This means that the issuer, or its group (excluding any associated companies and other entities whose results are recorded in the issuer's financial statements using the equity method of accounting), as the case may be, must satisfy each of the following:
  - (a) a trading record of not less than three financial years (see rule 4.04) during which the profit attributable to shareholders must, in respect of the most recent year, be not less than HK\$20,000,000 and, in respect of the two preceding years, be in aggregate not less than HK\$30,000,000. The profit mentioned above should exclude any income or loss of the issuer, or its group, generated by activities outside the ordinary and usual course of its business;
  - (b) management continuity for at least the three preceding financial years; and
  - (c) ownership continuity and control for at least the most recent audited financial year.

### ***The market capitalisation/revenue/cash flow test***

- (2) To meet the market capitalisation/revenue/cash flow test, a new applicant must satisfy each of the following:
  - (a) a trading record of not less than three financial years;
  - (b) management continuity for at least the three preceding financial years;
  - (c) ownership continuity and control for at least the most recent audited financial year;
  - (d) a market capitalisation of at least HK\$2,000,000,000 at the time of listing;
  - (e) revenue of at least HK\$500,000,000 for the most recent audited financial year; and
  - (f) positive cash flow from operating activities carried out by the new applicant, or its group, that are to be listed of at least HK\$100,000,000 in aggregate for the three preceding financial years.

### ***The market capitalisation/revenue test***

- (3) To meet the market capitalisation/revenue test, a new applicant must satisfy each of the following, unless waived by the Exchange under rule 8.05A:

- (a) a trading record of at least three financial years;
  - (b) management continuity for at least the three preceding financial years;
  - (c) ownership continuity and control for at least the most recent audited financial year;
  - (d) a market capitalisation of at least HK\$4,000,000,000 at the time of listing; and
  - (e) revenue of at least HK\$500,000,000 for the most recent audited financial year.
- (4) For the purpose of rules 8.05(2) and (3), only revenue arising from the principal activities of the new applicant and not items of revenue and gains that arise incidentally will be recognised. Revenue arising from “book” transactions, such as banner barter transactions or writing back of accounting provisions or other similar activities resulting from mere book entries, will be disregarded.

8.05A In the case of the market capitalisation/revenue test, the Exchange will accept a shorter trading record period under substantially the same management as required under rule 8.05(3) (a) and (b) if the new applicant is able to demonstrate to the satisfaction of the Exchange the following:

- (1) the directors and management of the new applicant have sufficient and satisfactory experience of at least three years in the line of business and industry of the new applicant. Details of such experience must be disclosed in the listing document of the new applicant; and
- (2) management continuity for the most recent audited financial year.

*Note: Mineral Companies relying on this provision must comply with the more onerous requirements of Listing Rule 18.04.*

8.05B The Exchange may accept a shorter trading record period and/or may vary or waive the above profit or other financial standards requirement in rule 8.05 in the following cases:—

- (1) mineral companies to which the provisions of Chapter 18 apply; or
- (2) newly formed ‘project’ companies, for example a company formed to construct a major infrastructure project. The Exchange considers that “infrastructure projects” are projects which create the basic physical structures or foundations for the delivery of essential public goods and services that are necessary for the economic development of a territory or country. Examples of infrastructure projects include the construction of roads, bridges, tunnels, railways, mass transit systems, water and sewage systems, power plants, telecommunication systems, seaports and airports. A new applicant of such ‘project’ companies must be able to demonstrate that:

- (a) it is a party to and has the right to build and operate (or participate in the results from the operation of) a particular infrastructure project(s). The project(s) may be carried out by the applicant company directly or through subsidiaries or joint venture companies. Companies which finance, but do not undertake the development of the project(s), will not be considered under rule 8.05B(2);
  - (b) at the time of listing, it is not engaged in any businesses other than those stipulated in the infrastructure project mandate(s) or contract(s);
  - (c) the infrastructure project(s) must be carried out under a long term concession or mandate (there should normally be at least 15 years remaining in each concession or mandate at the time of listing) awarded by government and be of a substantial size (to be of substantial size, the applicant company's share of the total capital cost of the projects should normally be at least HK\$1 billion);
  - (d) where it is involved in more than one project, the majority of its projects are in the pre-construction or construction stage;
  - (e) the bulk of the proceeds of the offering will be used to finance the construction of the project(s) and not principally to repay indebtedness or to acquire other non-infrastructure assets;
  - (f) it will not and will procure its subsidiaries or joint venture companies not to acquire any other type of assets or engage in such activity which will result in a change of business from those stipulated in the infrastructure project mandates(s) or contract(s) in the first three years after listing;
  - (g) its substantial shareholders and management have the necessary experience, technical expertise, track record and financial strength to carry out the project(s) to completion and to operate it/them thereafter. In particular, its directors and management must have sufficient and satisfactory experience of at least three years in the line of business and industry of the new applicant. Details of such expertise and experience must be disclosed in the listing document of the new applicant; and
  - (h) such additional disclosure of matters and documents, including business valuations, feasibility studies, sensitivity analyses and cash flow projections, as the Exchange may at its discretion require, will be included in the listing document of the new applicant; or
- (3) exceptional circumstances where the issuer or its group has a trading record of at least two financial years if the Exchange is satisfied that the listing of the issuer is desirable in the interests of the issuer and investors and that investors have the necessary information available to arrive at an informed judgement concerning the

issuer and the securities for which listing is sought. In such cases the Exchange should be consulted at an early stage and additional conditions will be imposed pursuant to rule 2.04.

8.05C An issuer or group (other than an investment company in which case the conditions set out in Chapter 21 apply) whose assets consist wholly or substantially of cash or short-dated securities will not normally be regarded as suitable for listing, except where the issuer or group is solely or mainly engaged in the securities brokerage business. "Short-dated securities" means securities such as bonds, bills or notes which have less than one year to maturity.

*Note: See Practice Note 3*

8.06 In the case of a new applicant, the latest financial period reported on by the reporting accountants (see Chapter 4) must not have ended more than six months before the date of the listing document.

8.07 There must be an adequate market in the securities for which listing is sought. This means that the Exchange must be satisfied that there will be sufficient public interest in the business of the issuer and in the securities for which listing is sought.

8.08 There must be an open market in the securities for which listing is sought. This will normally mean that:—

- (1) (a) at least 25% of the issuer's total number of issued shares must at all times be held by the public.
- (b) where an issuer has one class of securities or more apart from the class of securities for which listing is sought, the total securities of the issuer held by the public (on all regulated market(s) including the Exchange) at the time of listing must be at least 25% of the issuer's total number of issued shares. However, the class of securities for which listing is sought must not be less than 15% of the issuer's total number of issued shares, having an expected market capitalisation at the time of listing of not less than HK\$50,000,000.

*Notes: (1) Issuers should note that the minimum prescribed percentage of securities must remain in public hands at all times. If the percentage falls below the minimum, the Exchange reserves the right to suspend trading until appropriate steps have been taken to restore the minimum percentage of securities in public hands. In this connection, the Exchange will normally require suspension of trading in an issuer's securities where the percentage of its public float falls below 15% (or 10% in the case of an issuer that has been granted a public float waiver under rule 8.08(1)(d) at the time of listing).*

- (2) *Where the percentage has fallen below the minimum, the Exchange may refrain from suspension if the Exchange is satisfied that there remains an open market in the securities and either:*
- (a) *the shortfall in the prescribed percentage arose purely from an increased or newly acquired holding of the listed securities by a person who is, or after such acquisition becomes, a core connected person only because he is a substantial shareholder of the issuer and/or any of its subsidiaries. Such substantial shareholder must not be a controlling shareholder or single largest shareholder of the issuer. He must also be independent of the issuer, directors and any other substantial shareholders of the issuer and must not be a director of the issuer. If the substantial shareholder has any representative on the board of directors of the issuer, he must demonstrate that the representation is on a non-executive basis. In general, the Exchange would expect this to apply to holdings of the listed securities by institutional investors with a wide spread of investments other than in the listed securities concerned. Holdings of the listed securities by venture capital funds which have been involved in the management of the issuer before and/or after listing would not qualify. The issuer must provide sufficient information to the Exchange to demonstrate the independence of such substantial shareholder and to inform the Exchange of any change in circumstances which would affect his independence as soon as it becomes aware of such change; or*
  - (b) *the issuer and the controlling shareholder(s) or single largest shareholder undertake to the Exchange to take appropriate steps to ensure restoration of the minimum percentage of securities to public hands within a specified period which is acceptable to the Exchange.*
- (3) *At any time when the percentage of securities in public hands is less than the required minimum, and the Exchange has permitted trading in the securities to continue, the Exchange will monitor closely all trading in the securities to ensure that a false market does not develop and may suspend the securities if there is any unusual price movement.*
- (c) Notwithstanding the requirement that the minimum prescribed percentage of securities must at all times remain in public hands, the Exchange may consider

granting a temporary waiver to an issuer which is the subject of a general offer under the Takeovers Code (including a privatisation offer), for a reasonable period after the close of the general offer to restore the percentage. The issuer must restore the minimum percentage of securities in public hands immediately after the expiration of the waiver, if granted.

- (d) The Exchange may, at its discretion, accept a lower percentage of between 15% and 25% in the case of issuers with an expected market capitalisation at the time of listing of over HK\$10,000,000,000, where it is satisfied that the number of securities concerned and the extent of their distribution would enable the market to operate properly with a lower percentage, and on condition that the issuer will make appropriate disclosure of the lower prescribed percentage of public float in the initial listing document and confirm sufficiency of public float in successive annual reports after listing (see rule 13.35). Additionally, a sufficient portion (to be agreed in advance with the Exchange) of any securities intended to be marketed contemporaneously within and outside Hong Kong must normally be offered in Hong Kong;

*Note: The revised lower prescribed percentage of between 15% and 25% of public float shall not apply retrospectively nor amend arrangements in place before 31 March 2004*

- (2) for a class of securities new to listing, at the time of listing there must be an adequate spread of holders of the securities to be listed, except where: (a) they are options, warrants or similar rights to subscribe for or purchase shares; (b) they are offered to existing holders of a listed issuer's shares by way of bonus issue; and (c) in the 5 years before the date of the announcement of the proposed bonus issue, there are no circumstances to indicate that the issuer's shares may be concentrated in the hands of a few shareholders. The number will depend on the size and nature of the issue, but in all cases there must be at least 300 shareholders; and
- (3) not more than 50% of the securities in public hands at the time of listing can be beneficially owned by the three largest public shareholders, save where: (a) the securities to be listed are options, warrants or similar rights to subscribe or purchase shares; (b) such securities are offered to existing holders of a listed issuer's shares by way of bonus issue; and (c) in the 5 years preceding the date of the announcement on the proposed bonus issue, there are no circumstances to indicate that the shares of the issuer may be concentrated in the hands of a few shareholders.

- 8.09 (1) The expected market capitalisation at the time of listing of the securities of a new applicant which are held by the public (see rule 8.24) in accordance with rule 8.08(1) must be at least HK\$50,000,000.
- (2) The expected market capitalisation of a new applicant at the time of listing must be at least HK\$200,000,000 which shall be calculated on the basis of all issued shares (including the class of securities for which listing is sought and such other class(es) of securities, if any, that are either unlisted or listed on other regulated market(s)) of the new applicant at the time of listing.
- (3) The expected market capitalisation at the time of listing of each class of securities for which listing is sought, other than options, warrants or similar rights to subscribe or purchase securities, must, in the case of both new applicants and listed issuers, be at least HK\$50,000,000.
- (4) In the case of options, warrants or similar rights to subscribe or purchase securities for which listing is sought, the expected market capitalisation at the time of listing must, in the case of both new applicants and listed issuers, be at least HK\$10,000,000.
- (5) Further issues of securities of a class already listed are not subject to the limits set out in this rule. In exceptional cases, a lower expected initial market capitalisation may be acceptable where the Exchange is satisfied as to marketability.

*Note: The fact that an applicant is able to satisfy the minimum market capitalisation criterion does not of itself mean that the applicant will be accepted as suitable for listing.*

8.09A The expected issue price of the securities for which listing is sought shall be used as a basis for determining the market value of the other class(es) of securities of the new applicant that are unlisted, or listed on other regulated market(s).

- 8.10 (1) Where a new applicant has a controlling shareholder with an interest in a business apart from the applicant's business which competes or is likely to compete, either directly or indirectly, with the applicant's business (the "excluded business"):
- (a) the applicant's listing document must prominently disclose the following:
- (i) reasons for the exclusion of the excluded business;
- (ii) a description of the excluded business and its management, to enable investors to assess the nature, scope and size of such business, with an explanation as to how such business may compete with the applicant's business;



- (iii) facts demonstrating that the applicant is capable of carrying on its business independently of, and at arms length from the excluded business;
- (iv) whether the controlling shareholder intends to inject the excluded business into the applicant in future, together with the time frame during which the controlling shareholder intends to or does not intend to inject the excluded business. If there is any change in such information after listing, the applicant must disclose it by way of an announcement published in accordance with rule 2.07C as soon as it becomes aware of such change; and
- (v) any other information considered necessary by the Exchange;

*Note: See also paragraph 27A of Appendices 1A and 1E.*

- (b) if after its listing the applicant proposes to acquire all or part of the excluded business, the enlarged group must meet the trading record requirements of rule 8.05; and
- (c) all connected transactions between the excluded business and the applicant after listing must strictly comply with the requirements of chapter 14A.

*Note: An interest in an excluded business may consist of the following:*

- (i) *where the business is conducted through a company, an interest as a director (other than an independent non-executive director) or a substantial shareholder of such company;*
- (ii) *where the business is conducted through a partnership, an interest as a partner in such partnership; or*
- (iii) *where the business is conducted as a sole proprietorship, the interest as the sole proprietor of such business.*

*Where such company is a holding company, the applicant may disclose the information required under rule 8.10(1)(a) for such company and its subsidiaries on a group basis.*

- (2) Where any of the directors of a new applicant is interested in any business apart from the applicant's business, which competes or is likely to compete, either directly or indirectly, with the applicant's business:
  - (a) the applicant's listing document must prominently disclose the information required under rule 8.10(1)(a)(ii) and (iii) of each director's interest in such business and any other information considered necessary by the Exchange;

- (b) after listing, the directors (including any director appointed after listing) must continue to prominently disclose details as required under rule 8.10(2)(a) of any such interests (including any interests acquired after listing) in the applicant's annual reports; and
- (c) the directors must also prominently disclose in the applicant's annual reports any change in details previously so disclosed in the applicant's listing document or annual reports.

*Notes: (1) A director's interest in such a business may consist of the following:*

- (i) where the business is conducted through a company, an interest as a director (other than an independent non-executive director) or a substantial shareholder of such company;*
- (ii) where the business is conducted through a partnership, an interest as a partner in such partnership; or*
- (iii) where the business is conducted as a sole proprietorship, the interest as the sole proprietor of such business.*

*Where such company is a holding company, the applicant may disclose the information required under rule 8.10(2) for such company and its subsidiaries on a group basis.*

- (2) Listed issuers must comply with the disclosure requirements under rule 8.10(2)(b) and (c) commencing from the first annual report published after 30th April 2000.*
  - (3) The disclosure requirements under rule 8.10(2) do not apply to independent non-executive directors of a new applicant or a listed issuer.*
- (3) In cases where rule 8.10(1) or (2) applies, the Exchange may require the appointment of a sufficient number of independent non-executive directors to ensure that the interests of the general body of shareholders will be adequately represented.

*Note: Directors are reminded of their fiduciary duties to the issuer and that they must, in the performance of their duties as directors, avoid actual and potential conflicts of interest and duty. Such considerations may arise in situations where directors have business interests which are similar to those of the issuer or where it is proposed that the issuer makes any decision to acquire or not to acquire any such asset or business. The attention of the directors is also drawn to the duty of directors not to profit themselves to the detriment of the issuer.*

- 8.11 The share capital of a new applicant must not include shares of which the proposed voting power does not bear a reasonable relationship to the equity interest of such shares when fully paid ("B Shares"). The Exchange will not be prepared to list any new B Shares issued by a listed issuer nor to allow any new B Shares to be issued by a listed issuer (whether or not listing for such shares is to be sought on the Exchange or any other stock exchange) except:—
- (1) in exceptional circumstances agreed with the Exchange; or
  - (2) in the case of those listed companies which already have B Shares in issue, in respect of further issues of B Shares identical in all respects with those B Shares by way of scrip dividend or capitalisation issue, provided that the total number of B Shares in issue remains substantially in the same proportion to the total number of other voting shares in issue as before such further issue.
- 8.12 A new applicant applying for a primary listing on the Exchange must have a sufficient management presence in Hong Kong. This will normally mean that at least two of its executive directors must be ordinarily resident in Hong Kong.
- 8.13 The securities for which listing is sought must be freely transferable. Partly-paid securities will normally be regarded as fulfilling this condition provided that in the Exchange's view their transferability is not unreasonably restricted and dealings in them can take place on an open and proper basis. Existing issued securities which are offered for sale on an instalment payment basis, approved by the Exchange, will normally be regarded as fulfilling this condition.

*Note: Since it is not common practice in Hong Kong for purchasers to register every transaction, a vendor of a partly-paid security cannot ensure that his name is removed from the register and he may therefore retain his original liability to pay further calls on the security. In order for the Exchange to be satisfied that dealings in partly-paid securities can take place on an open and proper basis, an issuer must satisfy the Exchange that either:—*

- (a) adequate arrangements have been put in place to ensure that the vendor of the partly-paid security can effectively transfer all of the liability to pay further calls on the security to the purchaser without any right of recourse; or*
- (b) the issuer has limited the amount unpaid to a maximum of 50 per cent. of the issue price and the securities will become fully paid within twelve months from the date of issue and that the issuer has made full and detailed disclosure of the peculiar risks attaching to such securities whilst they remain partly-paid; or*

*(c) the issuer has made provisions which will ensure that every trade in the securities has to be registered such that vendors of the securities do not remain as the registered holders after the settlement of the trade.*

- 8.13A (1) In the case of a new applicant or a listed issuer in respect of a class of securities new to listing, the securities for which listing is sought must be Eligible Securities from the date on which dealings in the securities are to commence.
- (2) The new applicant or the listed issuer must make all necessary arrangements to comply with sub-paragraph (1).
- (3) Sub-paragraph (1) does not apply in the case of a new applicant or a listed issuer which is unable to satisfy the eligibility criteria as determined from time to time by HKSCC by reason only of a provision of law affecting the transferability or ownership of the new applicant's or the listed issuer's securities.
- (4) The Exchange may, in exceptional circumstances and in the absolute discretion of the Exchange, waive compliance with sub-paragraph (1).
- (5) An issuer shall ensure, so far as it is able, that its securities remain Eligible Securities.
- 8.14 The securities for which listing is sought must be issued in conformity with the law of the place where the issuer is incorporated or otherwise established and in conformity with the issuer's memorandum and articles of association or equivalent documents and all authorisations needed for their creation and issue under such law or documents must have been duly given.
- 8.15 Without prejudice to the specific requirements for management experience under rules 8.05A, 8.05B(2) and 18.04, the persons proposed to hold office as directors of the issuer must meet the requirements of Chapter 3 to the satisfaction of the Exchange.
- 8.16 The issuer must be an approved share registrar or employ an approved share registrar to maintain in Hong Kong its register of members.
- 8.17 The issuer must appoint a company secretary who satisfies rule 3.28.

- 8.18 Securities to which options, warrants or similar rights to subscribe or purchase equity securities are attached must comply both with the requirements applicable to the securities for which listing is sought and with the requirements applicable to such options, warrants or similar rights (see Chapter 15).
- 8.19 Where application for listing is made in respect of any class of securities:—
- (1) if none of the securities of that class are already listed, the application must relate to all securities of that class issued or proposed to be issued; or
  - (2) if some of the securities of that class are already listed, the application must relate to all further securities of that class issued or proposed to be issued.
- 8.20 Listing must be sought for all further issues of securities of a class already listed prior to the issue of the securities.
- 8.21 (1) Subject to (2) below the Exchange will not normally consider an application for listing from a new applicant which:—
- (a) has changed the period of its financial year during the latest complete financial year (being twelve months) immediately preceding the proposed date of issue of the listing document; or
  - (b) intends to change the period of its financial year during the period of the profit forecast, if any, or the current financial year, whichever is the longer period.
- (2) Notwithstanding (1) above, a subsidiary of the new applicant will normally be permitted to change the period of its financial year provided that:—
- (a) the change is to make the subsidiary's financial year coterminous with that of the new applicant;
  - (b) appropriate adjustments are made in the trading record and profit forecast and such adjustments are fully explained in statements which must be provided to the Exchange; and

- (c) adequate disclosure is provided in the listing document and the accountants' report of the reason for the change and the effect of the change on the new applicant's group trading record or profit forecast.

8.21A (1) A new applicant must include a working capital statement in the listing document. In making this statement the new applicant must be satisfied after due and careful enquiry that it and its subsidiary undertakings, if any, have available sufficient working capital for the group's present requirements, that is for at least the next 12 months from the date of publication of the listing document. The sponsor to the new applicant must also confirm to the Exchange in writing that:

- (a) it has obtained written confirmation from the new applicant that the working capital available to the group is sufficient for its present requirements, that is for at least the next 12 months from the date of publication of the listing document; and
- (b) it is satisfied that this confirmation has been given after due and careful enquiry by the new applicant and that the persons or institutions providing finance have stated in writing that the relevant financing facilities exist.

*Note: This rule is modified for a new applicant Mineral Company which must comply with the requirements of Listing Rules 18.03(4) and 18.03(5).*

(2) The Exchange will not require a working capital statement to be made by a new applicant, whose business is entirely or substantially that of the provision of financial services, provided the Exchange is satisfied that:

- (a) the inclusion of such a statement would not provide significant information for investors; and
- (b) the new applicant's solvency and capital adequacy are subject to prudential supervision by another regulatory body.

*Note: Refer to Chapter 3A for other sponsor obligations.*

8.21B [Repealed 1 February 2012]

## **Deemed New Applicants**

8.21C Without prejudice to the generality of other applicable provisions of the Exchange Listing Rules, a listed issuer that is treated as if it were a new applicant must meet all the basic conditions set out in this Chapter 8, unless otherwise waived by the Exchange. In particular, where there are assets to be injected into or acquired by the listed issuer, the assets to be injected or acquired or the enlarged group must meet the requirements under rule 8.05, and the enlarged group must meet all the other basic conditions set out in this Chapter 8. In cases of doubt, issuers or advisers should consult the Exchange at an early stage.

## **Underwriters**

8.22 The Exchange reserves the right to inquire of an issuer as to the financial suitability of any proposed underwriter and may reject an application for listing if it is not satisfied as to the underwriter's ability to meet its underwriting commitment.

## **Basis of allocation and "the public"**

8.23 Upon the closing of the offering period of a new applicant, new applicants and underwriters must adopt a fair basis of allocation of the securities on offer to the public.

8.24 The Exchange will not regard any core connected person of the issuer as a member of "the public" or shares held by him as being "in public hands". In addition the Exchange will not recognise as a member of "the public":—

- (1) any person whose acquisition of securities has been financed directly or indirectly by a core connected person;
- (2) any person who is accustomed to take instructions from a core connected person in relation to the acquisition, disposal, voting or other disposition of securities of the issuer registered in his name or otherwise held by him.