



The Stock Exchange of Hong Kong Limited
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

Our Ref: MD20091123-042

23 November 2009

To: Listed Collective Investment Schemes (Attn: Authorised CIS Operators)

Dear Sirs

Clarification of continuing obligations of authorised collective investment schemes (“CISs”) listed under Chapter 20 of the Main Board Listing Rules

The Exchange has, from time to time, received market comments that the application of the Listing Rules to the continuing obligations of CISs is unclear. This letter serves to clarify them.

The primary authority for regulating CISs that are offered to the public in Hong Kong is the Securities and Futures Commission authorization and its various Codes applicable to CISs. The Commission is the authority for monitoring compliance with these authorization conditions and applicable Codes. The Exchange’s role in CIS regulation is primarily to maintain, as far as practicable, a fair and orderly market in the trading of CISs.

Every CIS is required to sign a Listing Agreement (in the form prescribed in Part G of Appendix 7 of the Listing Rules) with the Exchange by which it undertakes to comply with the continuing obligations to which it will be subject as a condition of the listing of the CIS interests. The major continuing obligations for CISs under the Listing Agreement are:

- (a) disclosure of any information necessary to enable the holders of interests to appraise the position of the CIS and to avoid the establishment of a false market in the interests in the CIS;
- (b) prompt response to enquiries made of it by the Exchange including those concerning unusual movements in the price or trading volume of the CIS’s listed interests or any other matters by giving such relevant information as is available to it or by issuing a “no-knowledge” statement; and
- (c) filing and forwarding of the specified number of copies of its corporate disclosure materials (e.g. circulars, notices, annual reports etc.) to the Exchange and authorising the Exchange to file these materials with the Commission under the Securities and Futures (Stock Market Listing) Rules.

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In light of the above the Exchange would like to clarify that, generally speaking, only the following sections of the Listing Rules are applicable to CISs:

Chapter 1
Chapter 2 (other than Rules 2.07A, 2.07B, 2.09 – 2.11, 2.15-2.17)
Chapter 2A
Chapter 2B
Chapter 6 (other than Rules 6.11 – 6.16)
Chapter 20
Practice Note 1
Practice Note 8
Practice Note 11
Appendix 5 - Form C3
Appendix 7G (including the new paragraphs 4A and 4B effective January 2009 which require CISs to make next day disclosures and publish monthly returns)
Appendix 8
Appendix 24

Nevertheless the Listing Rules are not meant to be exhaustive and in appropriate circumstances the Exchange may waive, modify or not require compliance with the Listing Rules or impose additional requirements in individual cases to suit individual circumstances. If you have any question on the above or matters relating to application of any rule in your peculiar circumstances, please contact the Listing Division officers responsible for monitoring your CIS. You may find the relevant information from “Contact Persons in the Listing Division of HKEx for Listed Companies” on the HKEx website (<http://www.hkex.com.hk/issuer/listcontact/advisor.htm>).

Yours faithfully
For and on behalf of
The Stock Exchange of Hong Kong Limited

[Signed]

Mark Dickens
Head of Listing