

Part B Consultation Questions

Please indicate your preference by checking the appropriate boxes. Please reply to the questions below on the proposed changes discussed in the Consultation Paper downloadable from the HKEx website at: <http://www.hkex.com.hk/eng/newsconsul/mktconsul/Documents/cp201208.pdf>.

Where there is insufficient space provided for your comments, please attach additional pages.

CHAPTER 2: PROPOSED AMENDMENTS

Main Features of Proposed New Rules

1. Do you agree with our proposed inclusion of express statements regarding the SFC's and the Exchange's role and responsibilities for enforcement of the obligation to disclose inside information under the SFO in MB Chapter 13 and GEM Chapter 17?

☒ Yes

☐ No

Please give reasons for your views.

Generally in agreement with the proposal but please also see my comments on drafting of the new Rule 13.05 on the appendix to this questionnaire.

2. Do you agree with our proposed deletion of MB Rules 13.09(1)(a) and 13.09(1)(c) (GLRs 17.10(1) and 17.10(3))?

☒ Yes

☐ No

Please give reasons for your views.

Agree with the proposal set out in paragraph 13 of the Consultation Paper.

3. Do you agree to delete some of the notes to Rule 13.09(1) (GLR17.10) and elevate some of them to rules, as proposed?

☒ Yes

☐ No

Please give reasons for your views.

Absolutely agree! I always have doubts about the status of "note(s)" to a "rule". I believe the Stock Exchange should set out a rule as clear as possible with minimal use of "notes"!

4. Do you agree with the proposed changes to Rule 13.10 (GLR17.11)?

☒ Yes

☐ No

Please give reasons for your views.

Agree but please also see my comments on the drafting of new Rule 13.10 in the appendix to this questionnaire.

5. Do you agree that the issuer should be required to confirm all the four negatives set out in the proposed new standard announcement under MB Rule 13.10 (GLR17.11), as proposed in paragraph 17?

☒ Yes

☐ No

Please give reasons for your views.

Agree but please also see my comments on the drafting of note 1 to new Rule 13.10 in the appendix to this questionnaire.

6. Do you agree that the obligation under Rule 13.09(1)(b) (GLR17.10(2)) should remain in the Rules despite implementation of Part XIVA of the SFO?

☒ Yes

☐ No

Please give reasons for your views.

Agree but please also see my comments on the drafting of new Rule 13.09(1) in the appendix to this questionnaire.

7. Do you agree with the drafting in the proposed new MB Rule 13.09(1) (GLR17.10(1))?

☒ Yes

☐ No

Please give reasons for your views.

Agree but please also see my comments on the drafting of new Rule 13.09(1) in the appendix to this questionnaire.

8. Do you agree to clarify the obligation to apply for a trading halt? Do you agree with the proposed new MB Rule 13.10A (GLR17.11A)?

☒ Yes

☐ No

Please give reasons for your views.

Agree but please also see my comments on the drafting of new Rule 13.10A in the appendix to this questionnaire.

9. Do you agree that a trading halt will be required if an issuer reasonably believes there is inside information which requires disclosure under the SFO but it cannot disclose the information promptly? Do you agree with the proposed new MB Rule 13.10A(2) (GLR17.11A(2))?

☒ Yes

☐ No

Please give reasons for your views.

Agree with the proposal set out in paragraph 23 of the consultation paper.

10. Do you agree to include MB Rule 13.06A (GLR17.07A) which imposes an obligation to preserve confidentiality of inside information until disclosure?

☒ Yes

☐ No

Please give reasons for your views.

Agree with the proposal set out in paragraphs 24 and 25 of the consultation paper.

Other Changes

Part A: New Defined Terms and Revise Some Defined Terms

11. Do you agree that we should define Part XIVA of the SFO as “Inside Information Provisions”?

☒ Yes

☐ No

Please give reasons for your views.

12. Do you agree with the proposed changes to the defined terms set out in paragraphs 26(b) and 26(c) of the Consultation Paper?

☐ Yes

☒ No

Please give reasons for your views.

Please see my comments on the drafting of the definitions in the appendix to this questionnaire.

13. Do you agree with the proposed definition of the term “trading halt” and its use in the proposed Rule changes?

☒ Yes

☐ No

Please give reasons for your views.

Part B: Other Consequential Changes

14. Do you agree with our proposal to replace the term “price sensitive information” in the Rules with the term “inside information”?

☒ Yes

☐ No

Please give reasons for your views.

Agree with the proposal set out in paragraph 28(a) of the consultation paper.

15. Do you agree with our proposal to retain provisions such as MB Rules 10.06(2)(e) and 17.05 (GLR13.11(4) and 23.05) by replacing the term “price sensitive information” with the term “inside information”, although their enforcement would require the Exchange’s interpretation of whether certain information is inside information?

☒ Yes

☐ No

Please give reasons for your views.

Agree with the proposal set out in paragraph 29 of the consultation paper.

16. Do you agree with our proposal to delete references to the obligation to disclose information under the current general disclosure obligation and in particular, MB Rules 13.09(1)(a) and (c) and GLR17.10(1) and (3)?

☒ Yes

☐ No

Please give reasons for your views.

Agree with the proposal set out in paragraph 28(b) of the consultation paper.

17. Do you agree with our proposal to create specific rules in respect of those matters which are currently discloseable under the general disclosure obligation, i.e. the proposed new MB Rules 13.24A, 13.24B, and the revised Practice Notes 15 and 17?

☒ Yes

☐ No

Please give reasons for your views.

Agree with the proposal set out in paragraphs 31 and 32 of the consultation paper.

18. Do you agree with our proposed changes to the provisions and the Listing Agreements in respect of the issue of debt securities?

☐ Yes

☐ No

Please give reasons for your views.

No comment.

19. Do you agree with our proposal to clarify the obligation on guarantors of debt securities to disclose information which may have a material effect on their ability to meet the obligations under the debt securities?

☐ Yes

☐ No

Please give reasons for your views.

No comment.

Part C: Plain Writing Amendments

20. Do you have any comments on the plainer writing amendments? Do you consider any part(s) of these amendments will have unintended consequences? Please give reasons for your views.

☒ Yes

☐ No

Please give reasons for your views.

Please see my comments on the drafting on various rules in the appendix to this questionnaire.

APPENDIX I: PROPOSED AMENDMENTS TO THE MB RULES**Chapter 1****GENERAL****INTERPRETATION**

1.01 Throughout this book, the following terms, save where the context otherwise requires, have the following meanings:

To introduce new defined terms:

"inside information"

has the meaning defined in the ~~Securities and Futures Ordinance~~ as amended from time to time for the purposes of Part XIV A of the ~~Ordinance~~

"Inside Information Provisions"

Part XIV A of the ~~Securities and Futures Ordinance~~

"trading halt"

an interruption of trading in an issuer's securities requested or directed pending disclosure of information under the Rules and extending for no more than two trading days

To revise defined terms:

- (a) to provide that the term "the rules governing the listing of securities made by the Exchange from time to time..." be defined as the "**Listing Rules**" or the "**Rules**", in addition to being the "**Exchange Listing Rules**".

~~"Exchange Listing Rules" or "Listing Rules" or "Rules"~~

the rules governing the listing of securities made by the Exchange from time to time, their appendices thereto, any listing agreement or other contractual arrangement entered into with any party under them pursuant thereto, and rulings of the Exchange made in pursuance thereof under them

to make it simple, please define it as "Listing Rules" or "Rules"

(2/28)

- (b) to provide that the term "the Securities and Futures Ordinance" be defined as the "Ordinance", in addition to being the "Securities and Futures Ordinance".

"Securities and Futures Ordinance" or "Ordinance" = SFO

the Securities and Futures Ordinance (Cap. 571) as amended from time to time

Chapter 2

GENERAL

INTRODUCTION

General principles

- 2.03 The ~~Exchange~~ Listing Rules reflect currently acceptable standards in the market place and are designed to ensure that investors have and can maintain confidence in the market and in particular that:—

(2) ...

- (3) investors and the public are kept fully informed by listed issuers and, in the case of a guaranteed issue, the guarantors of all material factors which might affect their interests—and in particular that immediate disclosure is made of any information which might reasonably be expected to have a material effect on market activity in, and the prices of, listed securities;

(4) ...

Use of Electronic Means

- 2.07C (1) (a) (iv) Where a listed issuer requests a trading halt or suspension of trading in its securities and the trading halt or suspension has been effected, the listed issuer must immediately submit through HKEx-EPS to the Exchange for publication on the Exchange's website a ready-to-publish electronic copy of an announcement informing that trading in the securities of the listed issuer has been halted or suspended and setting out briefly the reason for the trading halt or suspension.

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Chapter 3A

GENERAL

SPONSORS AND COMPLIANCE ADVISERS

Sponsor's declaration

3A.15 Having made reasonable due diligence inquiries, each sponsor must confirm that it has reasonable grounds to believe and does believe that:

(2) the new applicant is in compliance with all the conditions in Chapter 8 of the Exchange Listing Rules, in particular, ...

(3) ...

(4) ...

(5) the new applicant ^{(i) (a)} has established procedures, systems and controls (including accounting and management systems) which are adequate having regard to the obligations of the new applicant and its directors under to comply with the Exchange Listing Rules and other relevant legal and regulatory requirements (in particular rules 13.09, 13.10, 13.46, 13.48 and 13.49, Chapters 14 and 14A and Appendix 16, and the Inside Information Provisions) and which are sufficient to enable the new applicant's directors to make a proper assessment of the financial position and prospects of the new applicant and its subsidiaries, both before and after listing; and

(6) the directors of the new applicant collectively have the experience, qualifications and competence to manage the new applicant's business and comply with the Exchange Listing Rules,including an understanding of the nature of their obligations and those of the new applicant as an issuer under the Exchange Listing Rules

(b) such procedures, systems and controls

Chapter 6

GENERAL

TRADING HALT, SUSPENSION, CANCELLATION AND WITHDRAWAL OF LISTING

6.01 Listing is always granted subject to the condition that where the Exchange considers it necessary for the protection of the investor or the maintenance of an

(4/28)

orderly market, it may at any time direct a trading halt or suspend dealings in any securities or cancel the listing of any securities in such circumstances and subject to such conditions as it thinks fit, whether requested by the issuer or not. The Exchange may also do so where:—

- (1) an issuer fails, in a manner which the Exchange considers material, to comply with the ~~Exchange~~ Listing Rules; or
- (2) the Exchange [↑] considers there are insufficient securities in the hands of the public (see ~~rule~~ 8.08(1)); or
- (3) the Exchange considers that the issuer does not have a sufficient level of operations or sufficient assets to warrant the continued listing of the issuer's securities (see [↑] rule 13.24); or
- (4) the Exchange considers that the issuer or its business is no longer suitable for listing.

Trading halt or ~~S~~suspension

- 6.02 Any request for a trading halt or suspension must be made to the Exchange by the issuer or ~~the issuer's~~ its authorised representative or financial adviser and must be supported by the specific reasons which the issuer wishes the Exchange to take into account in the Exchange's determination of its request ~~whether or not trading in the issuer's securities should be suspended.~~

Note: *1) *Recourse to a trading halt or suspension should only be made where necessary in the interests of all parties. In many cases, the ~~issue of issuer publishing an announcement by the issuer~~ is preferable to the fettering of the proper functioning of the market by an inappropriate or unwarranted trading halt or suspension. Unless the Exchange considers that the reasons given in support of a trading halt or suspension request warrant such action, it will expect a clarifying announcement to be published ~~in accordance with rule 2.07G~~ instead. Failure by an issuer to do so may result in disciplinary proceedings being brought against the issuer and its directors with the Exchange imposing sanctions available under Rule 2A.09, ~~a public statement of criticism by the Exchange directed at the issuer.~~*

2) *See Practice Note 11*

- 6.03 The ~~burden shall be on the issuer~~ requesting a trading halt or suspension of trading in its securities ~~to~~ has the burden of satisfying the Exchange that a trading halt or suspension would be appropriate.

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Note: ~~44~~ The Exchange is under an obligation to maintain an orderly and fair market for the trading of all Exchange listed securities and listed securities should be continuously traded save in exceptional circumstances.

- 6.04 Where dealings have been halted or suspended, the procedure for lifting the trading halt or suspension will depend on the circumstances and the Exchange reserves the right to impose such conditions as it considers appropriate. The issuer will normally be required to announce ~~in accordance with rule 2.07C~~ the reason for the trading halt or suspension and, where appropriate, the anticipated timing of the lifting of the trading halt or suspension. In some cases (for example a ~~temporary suspension trading halt~~ pending an announcement) the suspension trading halt will be lifted as soon as possible after the announcement is made. In other cases (for example those in rule 14.84) the suspension will be continued until any relevant requirements have been met. The continuation of a suspension for a prolonged period without the issuer taking adequate action to obtain restoration of listing may lead to the Exchange cancelling the listing.

Note: ~~44~~ See Practice Note 11

- 6.05 The duration of any trading halt or suspension should be for the shortest possible period. It is the issuer's responsibility ~~of the issuer of securities suspended from trading~~ to ensure that trading in its securities resumes as soon as practicable following the publication of an appropriate announcement ~~in accordance with rule 2.07C~~ or when the specific reasons given by the issuer ~~in support of supporting~~ its request for a trading halt or suspension of trading in its securities, ~~pursuant under to rule 6.02~~, no longer apply.

Note: (1) The Exchange is under an obligation to maintain an orderly and fair market for the trading of all Exchange listed securities and listed securities should be continuously traded save in exceptional circumstances.

(2) The Exchange considers that the continuation of any trading halt or suspension beyond such period as is absolutely necessary denies reasonable access to the market and prevents its proper functioning.

- 6.06 Where trading has been halted or suspended the issuer of the ~~relevant securities~~ shall notify the Exchange of:

- (1) any change in circumstances affecting the reasons provided to the Exchange ~~in support of supporting~~ the trading halt or suspension ~~pursuant to under~~ Rule 6.02; and

pls be consistent;
suggest to use
"Rule" globally.

(6/28)

- (2) any additional reasons which the issuer wishes the Exchange to take into account in the Exchange's determination whether or not the trading halt or suspension of dealing in the issuer's securities should be continued.

Note: ~~(1)~~ It is the issuer's responsibility ~~of the issuer of the suspended securities to provide the Exchange with all relevant information, which is within the issuer's knowledge, of issuer, to enable the Exchange to take~~ make an informed decision whether or not the trading halt or suspension of trading in that the issuer's securities continues to be appropriate.

6.07 The Exchange shall have the power to direct the resumption of trading of halted or suspended securities. In particular the Exchange may:

- (1) require ~~a listed~~ an issuer to publish an announcement, ~~in accordance with rule 2.07C,~~ in such terms and within such period as the Exchange shall in its discretion direct, notifying the resumption of trading in the issuer's halted or suspended securities, following the publication of which the Exchange may direct resumption of trading; and/or
- (2) direct a resumption of trading following the Exchange's publication of an announcement ~~by the Exchange~~ notifying the resumption of trading in the halted or suspended securities.

6.08 The Exchange's power ~~conferred upon the Exchange by~~ under Rule 6.07 shall not be exercised without first giving the issuer of the ~~suspended securities~~ the opportunity of being heard in accordance with Rule 2B.07(6). At any hearing ~~in connection with~~ concerning a direction pursuant to under Rule 6.07, the ~~burden shall be on the issuer opposing the resumption of trading in its securities to~~ has the burden of satisfying the Exchange that a continued trading halt or suspension would be appropriate.

Note: ~~(1)~~ The Exchange is under an obligation to maintain an orderly and fair market for the trading of all Exchange listed securities and listed securities should be continuously traded save in exceptional circumstances.

~~(2)~~ The Exchange considers that the continuation of any trading halt or suspension beyond such period as is absolutely necessary denies reasonable access to the market and prevents its proper functioning.

~~(3)~~ See Practice Note 11.

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~~Additional and alternative requirements relating to continuing obligations are set out in Chapters 18, 19, 19A, 19B, 20 and 21 dealing with mineral companies, overseas issuers, issuers incorporated in the People's Republic of China, issuers of depositary receipts, authorised Collective Investment Schemes and investment companies.~~

~~The continuing obligations applicable to issuers having debt securities in issue are set out in the listing agreement set out in Parts C, D and E of Appendix 7.~~

[Repealed.]

- 13.03 The continuing obligations set out in this Chapter are primarily designed to ensure the maintenance of a fair and orderly market in securities and that all users of the market have simultaneous access to the same information. Failure by an issuer to comply with a ~~any~~ applicable continuing obligation may result in the Exchange taking disciplinary action in addition to its power to suspend or cancel a listing.
- 13.04 ~~The~~ An issuer's directors of an issuer are collectively and individually responsible for ensuring the issuer's full compliance with the Exchange Listing Rules.

DISCLOSURE

Introduction

- 13.05 ~~The continuing obligations relating to disclosure set out in this Chapter are designed to ensure the immediate release of information in the circumstances referred to in rule 13.09. The guiding principle is that information which is expected to be price sensitive should be released immediately it is the subject of a decision. Until that point is reached, it is imperative that the strictest security within the issuer and its advisers is observed.~~

(1) The Exchange has a duty under section 21 of the Securities and Futures Ordinance to ensure, so far as reasonably practicable, an orderly, informed and fair market.

- ① (2) The Inside Information Provisions in the Ordinance impose statutory obligations on listed issuers and their directors to disclose inside information as soon as reasonably practicable after the information has come to the listed issuers' knowledge, and gives the Commission the responsibility for enforcing those obligations. The Commission has issued Guidelines on Disclosure of Inside Information. The Exchange will not give guidance on the interpretation or operation of the Ordinance or the Guidelines.

duplicate
with

Rule 2.03(2).

suggest either

to delete this

or combine this

with Rule 2.03(2)

(8/28)

- 2 (B) Where the Exchange becomes aware of a possible breach of the Inside Information Provisions, it will refer it to the Commission. The Exchange will not itself take disciplinary action under the Listing Rules unless the Commission considers it not appropriate to pursue the matter under the Ordinance and the Exchange considers action under the Rules for a possible breach of the Rules appropriate.

13.06 Without prejudice to the generality of rule 13.09, this Chapter identifies specific circumstances in which an issuer is obliged to disclose information to the holders of its securities and the public.

Note: The specific circumstances identified in this Chapter are not alternatives to the general disclosure obligation set out in rule 13.09 and do not in any way detract from the issuer's responsibilities under rule 13.09.

- (1) This Chapter identifies specific circumstances in which an issuer must disclose information to the public. These are not alternatives to, and do not in any way detract from, the statutory disclosure obligation found in the Inside Information Provisions of the Ordinance.
- (2) The Exchange may require the issuer to make an announcement or halt trading in its listed securities where it considers it appropriate to preserve or ensure an orderly, informed and fair market.
- (3) The Exchange, in discharge of its duty under section 21 of the Ordinance, will monitor the market, make enquiries when it considers them appropriate or necessary, and may halt trading in an issuer's securities in accordance with the Listing Rules as required.

13.06A An issuer and its directors must maintain strict confidentiality of inside information until it is announced. They must ensure that the strictest security of the information is observed within the issuer and its advisers.

13.06B An issuer must not divulge any information in such a way as to place in a privileged dealing position any person or class or category of persons. It must not release any information in such a way that Exchange transactions may be entered into at prices which do not reflect the latest available information.

13.07 In adhering to the continuing obligations relating to disclosure set out in this Chapter, the An issuer and its directors of an issuer must seek to ensure that dealings do not take place between parties one of whom does not have price-sensitive inside information which is in the possession of the other possesses.

in relation
to the
issuer

(9/28)

~~of profits made or to be made by income or loss generated or to be generated as aforesaid will be material. [See new Rule 13.24B(2); escalated to a Rule.]~~

~~11. The issuer must notify the Exchange, members of the issuer and other holder of its listed securities without delay where:~~

~~(i) to the knowledge of the directors there is major market upheaval in the industries, countries or regions where the issuer has significant operations or transactions, or significant changes in exchange rates of currencies that are key to its operations; or~~

~~(ii) to the knowledge of the directors there is such a change in the issuer's financial condition or in the performance of its business or in the issuer's expectation of its performance that knowledge of the change is likely to lead to substantial movement in the price of its listed securities; or~~

~~(iii) the issuer has committed significant resources to an activity which is non-core business and this has not previously been disclosed.~~

~~It is the responsibility of the directors of the issuer to determine what information is material in the context of the issuer's business, operations and financial performance. The materiality of information varies from one issuer to another according to the size of its financial performance, assets and capitalisation, the nature of its operation and other factors. An event that is "significant" or "major" in the context of a smaller issuer's business and affairs is often not material to a large issuer. The directors of the issuer are in the best position to determine materiality. The Exchange recognises that decisions on disclosure require careful subjective judgements, and encourages issuers to consult the Exchange when in doubt as to whether disclosure should be made.~~

(1) Without prejudice to rule 13.10, where there is or there is likely to be a false market in an issuer's securities, the issuer must, as soon as reasonably practicable, announce the information necessary to correct or prevent a false market in its securities.

Note: This obligation exists whether or not the Exchange makes enquiries under rule 13.10.

suggest to incorporate this note
into the Rules itself.

disclosure

(10/28)

(2) (a) Where an issuer is required to disclose inside information under the ~~Inside Information Provisions~~, it must also simultaneously announce the information.

(b) An issuer must simultaneously copy to the Exchange any application to the Commission for a waiver from ~~disclosing inside information~~ under the Inside Information Provisions, and promptly upon being notified of the Commission's decision copy the Exchange with the Commission's decision.

~~(2) If securities of the issuer are also listed on other stock exchanges, the Exchange must be simultaneously informed of any information released to any of such other exchanges and the issuer must ensure that such information is released to the market in Hong Kong at the same time as it is released to the other markets.~~

Note: ~~This includes any information released by a subsidiary of the issuer to another stock exchange on which that subsidiary is listed or another market, if that information is discloseable by the issuer under this Chapter. [Moved to rule 13.10B.]~~

Response to enquiries

13.10 Where the Exchange makes enquiries ~~An issuer shall respond promptly to any enquiries made of the issuer by the Exchange concerning unusual movements in the price or trading volume of its~~ an issuer's listed securities, the possible development of a false market in its securities, or any other matters, the issuer must respond promptly as follows: by

(1) giving provide to the Exchange and, if requested by the Exchange, announce, any such relevant information relevant to the subject matter(s) of the enquiries which as-is available to it, so as to inform the market or to clarify the situation; the issuer or;

(2) if, and only if, the directors of the issuer, having made due enquiry, are not aware of any information that is or may be relevant to the subject matter(s) of the Exchange's enquiries or of any inside information which needs to be disclosed under the Ordinance, and if requested by the Exchange, appropriate, by issuing make an announcement in accordance with rule 2.07C containing a statement to the that effect (see note 1 below), that the issuer is not aware of any matter or development that is or may be relevant to the unusual price movement or trading volume of its listed securities and shall also respond promptly to any other enquiries made of the issuer by the Exchange.

Inside Information Provisions

(11/28)

Notes: 1. ~~If the enquiry relates to unusual movements in the price or trading volume of securities and the directors of the issuer are aware of any matter that might have relevance to such movements, an announcement clarifying the situation must should be issued in accordance with rule 2.07C. If it is not possible to make such an announcement a temporary suspension of dealings in the issuer's securities may be necessary.~~

2. ~~If the directors of the issuer are not aware of any matter that might have relevance to such movements (and only in such circumstances) the issuer should issue an announcement in accordance with rule 2.07C in the following form:-~~

1. The form of the announcement referred to in rule 13.10(2) is as follows:-

"This announcement statement is made at the request of The Stock Exchange of Hong Kong Limited.

We have noted [the recent increases/decreases in the price [or trading volume] of the [shares/ warrants] of the Company] or [We refer to the subject matter of the Exchange's enquiry]. ~~and wish to state that Having made due enquiry, we confirm that we are not aware of [any reasons for these price [or volume] movements] or [relevant] information concerning the subject matter of the Exchange's enquiry] or of any information which must be announced to correct or to prevent a false market in the Company's securities or of any inside information under Part XIV of the Securities and Futures Ordinance that needs to be disclosed such [increases/decreases].~~

We also confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under rule 13.23, neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09, which is or may be of a price-sensitive nature.

This announcement is ~~made~~ made by the order of the Company. [] + The Company's Board of the ~~d~~Directors of which collectively and individually and jointly accepts responsibility for the accuracy of this announcement statement."

2. The Exchange reserves the right to direct a trading halt of an issuer's securities if an announcement under rule 13.10(1) or 13.10(2) cannot be made promptly.

suggest
to delete
the word
"relevant"
because it
may confuse
with the
definition of
"irrelevant
information"
or "inside
information"
under the
definitions
of SFO

Under the Inside Information Provisions

(12/28)

Trading halt

13.10A Subject always to the Exchange's ability to direct the halt and resumption of trading in an issuer's listed securities, an issuer must, as soon as reasonably practicable, apply for a trading halt in any of the following circumstances where an announcement cannot be made promptly:

- (1) it has information which must be disclosed under rule 13.09; or
- (2) it reasonably believes that there is inside information which must be disclosed under the Inside Information Provisions; or
- (3) circumstances exist where confidentiality may have been lost in respect of inside information which:
 - (a) is the subject of an application to the Commission for a waiver; or
 - (b) falls within any of the exceptions to the obligation to disclose inside information under the Inside Information Provisions in section 307D(2) of the Ordinance.

Announce information disclosed to other stock exchanges

13.10B An issuer must announce any information released to any other stock exchange on which its securities are listed at the same time as the information is released to that other exchange.

Note: An issuer will need to announce overseas regulatory information released by its overseas listed subsidiary if the information is discloseable by the issuer under other rules. [Note: This rule 13.10B is the current Rule 13.09(2).]

GENERAL SPECIFIC MATTERS RELEVANT TO THE ISSUER'S BUSINESS

- 13.11 (1) ~~Without prejudice to any obligation to disclose information pursuant to rule 13.09 and without limiting the scope of that rule, r~~ Rules 13.12 to 13.19 set out specific instances that give rise to a disclosure obligation on the part of an issuer's part.

~~Note: Issuers are reminded that t~~ Transactions and financing arrangements of the sort referred to in rules 13.12 to 13.19 may also be subject to the requirements of Chapters 14 and/or Chapter 14A.

Suggest to say
"Listing Rules"
or "Rules"

(13/28)

- (2) For the purposes of rules 13.12 to 13.19,
- (b) ...
 - (c) the expression "relevant advance to an entity" refers to the aggregate of amounts due from and all guarantees given on behalf of:
 - (i) an entity;
 - (ii) the entity's controlling shareholder;
 - (iii) the entity's subsidiaries; and
 - (iv) the entity's affiliated companies; and
 - (d) ~~the expression "general disclosure obligation" refers to the obligation imposed by rule 13.09 on issuers to keep the Exchange, members of the issuer and other holders of its listed securities informed as soon as reasonably practicable of any information relating to the group which meets the conditions set out in that rule.~~
- (3) ~~The disclosure obligation arising under this Chapter and other applicable provisions of the Exchange Listing Rules to inform holders of the issuer's securities or the public will be satisfied by an announcement being published in accordance with rule 2.07C.~~
- (4) ...
- (5) ~~If the directors consider that the disclosures pursuant to rules 13.12 to 13.19 might prejudice the issuer's business interests, the Exchange must be consulted as soon as possible.~~

Situations for disclosure

13.12 ...

Advance to an entity

- 13.13 ~~A general disclosure obligation will arise w~~ Where the relevant advance to an entity exceeds 8% under the assets ratio as defined under rule 14.07(1), the issuer must announce the information in rule 13.15 as soon as reasonably practicable. For the avoidance of doubt, an advance to a subsidiary of the issuer will not be regarded as an advance to an entity.

(X)

(14/28)

13.14 ~~A general disclosure obligation will arise w~~ [↑] Where the relevant advance to an entity increases from that previously disclosed under rule 13.13, ~~13.14~~ [↑] under this rule, or under rule 13.20 and the amount of the increase since the previous disclosure is 3% or more under the assets ratio as defined under rule 14.07(1), the issuer must announce the information in rule 13.15 as soon as reasonably practicable.

13.15 ~~Where a general disclosure obligation arises u~~ [↑] Under rules 13.13 or 13.14, ~~above issuers must shall disclose~~ [↑] announce details of the relevant advance to an entity, including details of the balances, the nature of events or transactions giving rise to the amounts, the identity of the debtor group, interest rate, repayment terms and collateral.

13.15A For the purpose of [↑] rules 13.13 and 13.14, ~~where~~ any trade receivable is not regarded as a relevant advance to an entity if:

(1) ~~it any trade receivable (other than as a result of the provision of financial assistance) arose in the issuer's ordinary and usual course of business (other than as a result of the provision of financial assistance) of the issuer;~~
and

(2) the transaction from which the trade receivable arose was on normal commercial terms;

~~the trade receivable shall not be regarded as a relevant advance to an entity.~~

Financial assistance and guarantees to affiliated companies of an issuer

13.16 ~~A general disclosure obligation will arise w~~ [↑] Where the financial assistance to affiliated companies of an issuer, and guarantees given for facilities granted to affiliated companies of an issuer, together in aggregate exceeds 8% under the assets ratio as defined under rule 14.07(1), ~~In these circumstances the issuer must announce as soon as reasonably practicable the following information to be disclosed is:~~

(1) analysis by company of the amount of financial assistance given to, committed capital injection to, and guarantees given for facilities granted to, affiliated companies;

(2) ...

Pledging of shares by the controlling shareholder

13.17 ~~A general disclosure obligation will arise w~~ [↑] Where the issuer's controlling shareholder ~~of the issuer~~ has pledged all or part of its interest in shares of the issuer's shares to secure the issuer's debts of the issuer or to secure guarantees

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or other support of its obligations, the issuer must announce the following information as soon as reasonably practicable of the issuer. The following details are to be disclosed:

(1) ...

Loan agreements with covenants relating to specific performance of the controlling shareholder

13.18 ~~A general disclosure obligation will arise w~~ Where an issuer (or any of its subsidiaries) enters into a loan agreement that includes a condition imposing specific performance obligations on any controlling shareholder (e.g. a requirement to maintain a specified minimum holding in the share capital of the issuer) and breach of such an obligation will cause a default in respect of loans that are significant to the issuer's operations, of the issuer must announce the following information as soon as reasonably practicable. The information to be disclosed in these circumstances is:

(1) ...

Breach of loan agreement by an issuer

13.19 ~~A general disclosure obligation will arise w~~ When an issuer there is a breaches of the terms of its loan agreements by the issuer, for loans that are significant to its the operations of the issuer, such that the lenders may demand their immediate repayment, of the loans and where the lenders have not issued a waiver in respect of the breach, the issuer must announce such information as soon as reasonably practicable.

Continuing disclosure requirements

13.20 ...

13.21 ...

13.22 Where the circumstances giving rise to a disclosure under rule 13.16 continue to exist at the issuer's interim period end or annual financial year end, ~~the issuer's~~ its interim or annual report shall must include a combined balance sheet of affiliated companies as at the latest practicable date. The combined balance sheet of affiliated companies should include significant balance sheet classifications and state the issuer's attributable interest of the issuer in the affiliated companies. In cases where If it is not practicable to prepare the combined balance sheet of affiliated companies, the Exchange on the issuer's application from the issuer may consider to accepting, as an alternative, a

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- (b) The issuer must announce the information under rule 13.24B(2)(a) as soon as it becomes aware that it is likely that the contribution to the profits made or to be made by the income or loss generated or to be generated will be material.

Winding-up and liquidation

- 13.25 (1) An issuer shall inform the Exchange of ~~on~~ the happening of any of the following events as soon as it ~~the same shall~~ comes to the its ~~attention of the issuer:-~~ attention of the issuer:-
- (b) ...
- (c) the passing of any resolution by the issuer, its holding company or any subsidiary falling under rule 13.25(2) that it be wound up ~~wound up~~ by way of members' or creditors' voluntary winding-up, or equivalent action in the country of incorporation or other establishment;
- (d) the entry into possession of or the sale by any mortgagee of a portion of the issuer's assets where the aggregate value of the total assets or the aggregate amount of profits or revenue attributable to such assets represents more than 5% under any of the percentage ratios as defined under rule 14.04(9); or
- (e) the making of any final judgment, declaration or order by any court or tribunal of competent jurisdiction whether on appeal or at first instance which is not subject to any or further appeal, which may adversely affect the issuer's enjoyment of any portion of its assets where the aggregate value of the total assets or the aggregate amount of profits or revenue attributable to such assets represents more than 5% under any of the percentage ratios as defined under rule 14.04(9).
- (2) Rules 13.25(1)(a), (b) and (c) will apply to a subsidiary of the issuer if the value of that subsidiary's total assets, profits or revenue represents 5% or more under any of the percentage ratios as defined under rule 14.04(9)....

Notes: 1. — In the circumstances referred to in Note 7 to rule 13.09(1), the Exchange may be prepared to give a dispensation from the requirement to make the information public. However, the Exchange must be informed in any event.

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- (4) ...
- (5) any decision to change the general character or nature of the business of the issuer or group.

Note: In discharging the obligations as set out in this rule 13.45, regard should be had to rule 13.79, and in particular to the Exchange's requirements from time to time in respect of the communication of information of an urgent nature.

NOTIFICATION

Changes

13.51 An issuer must publish an announcement as soon as practicable in regard to:—

- (2) ...
 - (m) ...
 - (n) full particulars where:
 - (i) he has been identified as an insider dealer under ~~pursuant to~~ Parts XIII or XIV of the Securities and Futures Ordinance or the repealed Securities (Insider Dealing) Ordinance at any time;
 - (ii) any enterprise, company or unincorporated business enterprise with which he was or is connected (as ~~such expression is~~ defined in Parts XIII or XIV of the Securities and Futures Ordinance or the repealed Securities (Insider Dealing) Ordinance) or any enterprise, company or unincorporated business enterprise for which he acts or has acted as an officer, supervisor or manager has been identified as an insider dealer under ~~pursuant to~~ Parts XIII or XIV of the Securities and Futures Ordinance or the repealed Securities (Insider Dealing) Ordinance at any time during the period when he was connected and/or acted as an officer, supervisor or manager;

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Trading halt and Short suspension of dealings

- 14.37 (1) Where an listed issuer has signed an agreement in respect of a share transaction, major transaction, very substantial disposal, very substantial acquisition or reverse takeover and the required announcement has not been published on a business day, ~~the listed issuer it must request a short suspension of dealings apply for a trading halt in its securities pending the publication of the announcement in accordance with rule 2.07C.~~ ✓
- (2) Without prejudice to rule 14.37(1), ~~In any event, an~~ listed issuer that has signed an agreement in respect of a notifiable transaction which it reasonably believes would require disclosure under the Inside Information Provisions that is expected to be price sensitive must immediately request ~~a short suspension of dealings apply for a trading halt in its securities pending the publication of the required announcement of the agreement.~~ ✓
- (3) An listed issuer that has finalised the major terms of an agreement in respect of a notifiable transaction which it reasonably believes would require disclosure under the Inside Information Provisions that is expected to be price sensitive must ensure confidentiality of the relevant information until making publication of the required announcement in accordance with rule 2.07C. Where the listed issuer considers that the necessary degree of security cannot be maintained or that the security may have been breached, it must make publish an announcement in accordance with rule 2.07C or immediately request a short suspension of dealings apply for a trading halt in its securities pending the publication of the announcement.
- (4) Directors of listed issuers ~~must, are reminded of their obligation under rule 13.06A, pursuant to note 2 to rule 13.09(1) maintain to keep confidentiality of information that is likely to have be inside information a significant effect on market activity in or the price of any listed securities, until such time as it is announced a formal announcement is made in accordance with the requirements of note 5 to rule 13.09(1).~~ ↑
- (5) In the case of a reverse takeover, suspension of dealings in the listed issuer's securities must should continue until the issuer has announced disclosure of sufficient information has been made by the listed issuer by way of an announcement published in accordance with rule 2.07C. Whether the amount of information disclosed in the announcement is sufficient or not is determined on a case-by-case basis.

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Additional requirements for major transactions

Methods of approval

14.44 Shareholders' approval for a major transaction shall be given by a majority vote at a general meeting of the shareholders of the listed issuer unless all the following conditions are met, in which case written shareholders' approval may, subject to rule 14.86, be accepted in lieu of holding a general meeting: -

(1) no shareholder is required to abstain from voting if the listed issuer were to convene a general meeting for the approval of the transaction;

(2) the written shareholders' approval has been obtained from a shareholder or a closely allied group of shareholders who together hold more than 50% in nominal value of the securities giving the right to attend and vote at that general meeting to approve the transaction. ~~Where a listed issuer discloses unpublished price sensitive information to any shareholder in confidence to solicit the written shareholders' approval, the listed issuer must be satisfied that such shareholder is aware that he must not deal in the listed issuer's securities before such information has been made available to the public.~~

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Contents of announcements

Profit forecast in an announcement

14.62 Where the announcement contains a profit forecast in respect of the listed issuer or a company which is, or is proposed to become, one of its subsidiaries, the listed issuer must submit the following additional information and documents to the Exchange by no later than the making publication of such announcement in accordance with rule 2.07G:—

(1) ...

(2) a letter from the listed issuer's auditors or reporting accountants confirming

(3) a report from the listed issuer's financial advisers confirming that If no financial advisers have been appointed in connection with the transaction, the listed issuer must provide ...

Note: See rules 13.24B(1) and 13.24B(2) in respect of issuers' obligation to announce material or significant changes which impact on profit forecasts.

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Chapter 14A

EQUITY SECURITIES

CONNECTED TRANSACTIONS

Waivers

Shareholders' meeting waiver

14A.43 Where independent shareholders' approval of a connected transaction is required, ~~such~~ the approval shall be given by a majority vote at a general meeting of the shareholders of the listed issuer unless the following conditions are met, in which case a written independent shareholders' approval may be accepted in lieu of holding a general meeting: -

- (1) no shareholder of the listed issuer is required to abstain from voting if the listed issuer were to convene a general meeting for the approval of the connected transaction; and
- (2) ...

Notes: 1 ...

Stat.

this note is necessary.

2 — ~~Where a listed issuer discloses price sensitive information to any shareholder in confidence to solicit the written independent shareholders' approval, the listed issuer must be satisfied that such shareholder is aware that he must not deal in the listed issuer's securities before such information has been made available to the public.~~

Inside

Announcement requirements

14A.47 Issuers proposing to enter into a connected transaction or a continuing connected transaction which is subject to announcement requirements must:—

- (1) notify the Exchange as soon as possible after the terms of the transaction have been agreed;

~~Note: Under rule 13.09, a listed issuer's notification obligations in respect of information expected to be price-sensitive arise as soon as that information is the subject of a decision.~~

- (2) publish an announcement in accordance with rule 2.07C as soon as possible; and

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~~(e) May have a material effect on its ability to meet the obligations under its debt securities.~~

37.47A If the securities are guaranteed, the guarantor must immediately announce any information which may have a material effect on its ability to meet the obligations under the debt securities.

37.47B (a) Where an issuer is required to disclose inside information under the Inside Information Provisions, it must also simultaneously announce the information.

(b) An issuer must simultaneously copy to the Exchange any application to the Commission for a waiver from disclosing inside information under the Inside Information Provisions, and promptly upon being notified of the Commission's decision copy it to the Exchange.

37.47C An issuer and its directors must maintain strict confidentiality of inside information until it is announced. They must ensure that the strictest security of the information is observed within the issuer and its advisers.

37.47D An issuer must not divulge any information in such a way as to place in a privileged dealing position any person or class or category of persons. It must not release any information in such a way that Exchange transactions may be entered into at prices which do not reflect the latest available information.

37.47E An issuer and its directors must seek to ensure that dealings do not take place between parties one of whom does not have inside information which the other possesses.

37.47F Subject always to the Exchange's ability to direct the halt and resumption of trading in an issuer's listed debt securities, an issuer and/or the guarantor of the issued debt securities must, as soon as reasonably practicable, apply for a trading halt in any of the following circumstances where an announcement cannot be made promptly:

(a) the issuer and/or the guarantor has information which must be disclosed under rules 37.47 or 37.47A; or

(b) the issuer and/or the guarantor reasonably believes that there is inside information which must be disclosed under the Inside Information Provisions; or

(c) circumstances exist where confidentiality may have been lost in respect of inside information which:

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- (i) is the subject of an application to the Commission for a waiver; or
- (ii) falls within any of the exceptions to the obligation to disclose inside information under the Inside Information Provisions in section 307D(2) of the Ordinance.

Practice Note 11

to the Rules Governing the Listing of Securities
(the "Exchange Listing Rules")

Issued pursuant to rule 1.06 of the Exchange Listing Rules

TRADING HALT, SUSPENSION AND RESTORATION OF DEALINGS

1. Definitions

Terms used in this Practice Note which are defined or interpreted in the Exchange Listing Rules shall have the same meaning as in the Exchange Listing Rules.

2. Requests for trading halt or suspension

Any request for trading halt or suspension of trading should be directed to the Listing Division of the Exchange. It will only be considered when it is received directly from ~~an~~ the issuer's authorised representative ~~of the issuer~~ or some other responsible officer, ~~of the issuer concerned~~ or from a recognised and authorised merchant bank, financial advisor or sponsor, or a member firm acting in either of those capacities. The Listing Division may request ~~a~~ confirmation ~~may be requested as to~~ of the authority of the person requesting the trading halt or suspension. A formal letter supporting the request will be required, although because of time factors, this need not be delivered to the Listing Division ~~at the time of when~~ the initial request is made.

Issuers should not delay in contacting the Listing Division where it is felt a trading halt or suspension might be appropriate. ~~It should be noted, h~~ However, ~~that~~ full reasons supporting a request will be required before the Listing Division, or if necessary the Listing Committee, will give the request consideration.

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3. Grounds for suspension trading halt

A suspension request for a trading halt will normally only be acceded to in the following circumstances:

- where the situation falls within rule 13.10A;
- where for a reason acceptable to the Exchange price-sensitive inside information which needs to be disclosed under the Inside Information Provisions cannot immediately at that time be disclosed;
- where an issuer is subject to an offer, but only where terms have been agreed in principle and require discussion with and agreement by one or more major shareholders. Suspensions will only normally be appropriate where no previous announcement has been made. In other cases, either the details of the offer should be announced in accordance with rule 2.07C, or if this is not yet possible, a 'warning' announcement published in accordance with rule 2.07C indicating that the issuer is in discussions which could lead to an offer, should be issued, without recourse to a suspension;
- to maintain an orderly market;
- certain levels of notifiable transaction, such as substantial changes in the nature, control or structure of an issuer, where publication of full details is necessary to permit a realistic valuation to be made of the securities concerned, or the approval of shareholders is required;
- where an issuer is no longer suitable for listing, or becomes a 'cash' company;
- issuers going into receivership or liquidation;
- where an issuer confirms that it will be unable to meet its obligation to disclose periodic financial information in accordance with the Exchange Listing Rules.

It should be noted that The Exchange reserves the right to suspend dealings direct a trading halt without a request and will not hesitate to do so, if, in its judgement, this is in the best interest of the market and investors in general. Instances which are likely to give rise to a suspension of dealings by the Exchange directing a trading halt without a request include, but are not limited to, those set out above and the following:

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- unexplained unusual movements in the price or trading volume of the issuer's listed securities or where a false market for the trading of the issuer's securities has or may have developed where the issuer's authorised representative cannot immediately be contacted to confirm that the issuer is not aware of any matter or development that is or may be relevant to the unusual price movement or trading volume of its listed securities or the development of a false market, or where the issuer delays in issuing an announcement in the form required under pursuant to rule 13.10 and where applicable, under the heading "Response to enquiries" in the relevant listing agreements;
- uneven dissemination or leakage of ~~price sensitive~~ inside information in the market giving rise to an unusual movement in the price or trading volume of the issuer's listed securities.

3A. Grounds for suspension

A suspension request (other than a trading halt) will normally only be acceded to in the following circumstances:

- where an issuer is subject to an offer, but only where terms have been agreed in principle and require discussion with and agreement by one or more major shareholders. Suspensions will only normally be appropriate where no previous announcement has been made. In other cases, either the details of the offer should be announced, or if this is not yet possible, a 'warning' announcement indicating that the issuer is in discussions which could lead to an offer, should be issued, without recourse to a suspension;
- to maintain an orderly market;
- certain levels of notifiable transaction, such as substantial changes in the nature, control or structure of an issuer, where publication of full details is necessary to permit a realistic valuation to be made of the securities concerned, or the approval of shareholders is required;
- where an issuer is no longer suitable for listing, or becomes a 'cash' company;
- where an issuer is going into receivership or liquidation;
- where an issuer confirms that it will be unable to meet its obligation to disclose periodic financial information in accordance with the Exchange Listing Rules.

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6. **The Statutory Rules**

In accordance with ~~the provisions of~~ the Statutory Rules the Exchange will continue to notify the Commission of trading halts, suspensions and restorations of dealings, and this Practice Note is issued without prejudice to the statutory powers of the Commission in respect of suspensions.

7. This Practice Note replaces Guidance Note 1 and takes effect from 16th October, 1995.

Hong Kong, 16th October, 1995

Revised on 31st March, 2004

Revised on 25th June, 2007

Revised on 1st January, 2009

Revised on 1 January, 2013

Practice Note 15
to the Rules Governing the Listing of Securities
(the "Exchange Listing Rules")

Issued pursuant to rule 1.06 of the Exchange Listing Rules

**PRACTICE WITH REGARD TO PROPOSALS SUBMITTED BY
ISSUERS TO EFFECT THE SEPARATE LISTING ON THE
EXCHANGE OR ELSEWHERE OF ASSETS OR BUSINESSES
WHOLLY OR PARTLY WITHIN THEIR EXISTING GROUPS**

3. **Principles**

The principles, which apply equally whether the entity to be spun off is to be listed in Hong Kong or overseas, are as follows:

(f)...

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(g) *Announcement of spin-off*

~~A spin-off listing application is different from an ordinary listing application in that it is of material, price sensitive effect for an existing listed issuer. The Listing Committee accordingly considers that the latest time at which a formal announcement under rule 13.09 should be made is~~
An issuer must announce its spin-off listing application by the time it lodges of lodgement of the Form A1 (or its equivalent in any overseas jurisdiction). Where an overseas jurisdiction requires a confidential filing, the matter should be discussed with the Listing Division prior to any such before the filing. Until the publication of the announcement of the application, in accordance with rule 2.07C, strict confidentiality should be maintained and, in the event of if there is a leakage of information or of a significant, unexplained movement in the price or turnover volume of the Parent's securities, an earlier announcement would be required. These above are set forth as general principles intended to assist the market. The Listing Division should be consulted at an early stage of any spin-off proposal for clarification as to the application thereof.

...
Revised on 1st January, 2009

Revised on 1 January, 2013

The Stock Exchange of Hong Kong Limited

Practice Note 17

to the Rules Governing the Listing of Securities
(the "Exchange Listing Rules")

Issued pursuant to rule 1.06 of the Exchange Listing Rules

**SUFFICIENCY OF OPERATIONS AND
DELISTING PROCEDURES**

3. Delisting Procedures

3.1 The Exchange will follow a four-stage procedure as set out below.

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- For ~~During~~ the initial period of six months following the suspension, the Exchange will monitor developments. ~~During this interval~~ [↑] ~~The issuer must will be expected to make periodic announcements of developments under rule 13.24A, to shareholders, in accordance with the provisions of rule 13.09, to advise shareholders of developments.~~ At the end of this six months period, the Exchange will determine whether it is appropriate to extend ~~this~~ the initial period or to proceed to the second stage.
- The second stage would involve the Exchange [↑] in writing to the issuer, drawing attention to its continued failure to meet rule 13.24 and requiring it advising that the issuer is required to submit resumption proposals within the next six months. During this period, the Exchange will continue to monitor developments of the issuer and will require from ~~its the issuer's~~ directors monthly progress reports. At the end of ~~this the six month~~ period, the Exchange will consider the issuer's proposals and determine whether it is appropriate to proceed to the third stage. ~~In making this determination, the Exchange will consider any proposals made by or on behalf of the issuer.~~
- Where the Exchange determines to proceed to the third stage, it will announce publish an announcement naming the issuer, indicating that the issuer it does not have sufficient assets or operations for listing, and imposing a deadline (generally six months) for submitting the submission of resumption proposals. During the third stage, the issuer would again be required to provide monthly progress reports to the Exchange.
- At the end of the third stage, ~~if where~~ no resumption proposals have been received for resumption, the listing will be cancelled. ~~This would be announced by bBoth~~ the Exchange and the issuer concerned would announce this.

...

Revised on 31st March, 2004

Revised on 1 January, 2013

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**The Stock Exchange of Hong Kong Limited
Practice Note 21**

to the Rules Governing the Listing of Securities
(the "Exchange Listing Rules")

Issued pursuant to rule 1.06 of the Exchange Listing Rules

**DUE DILIGENCE BY SPONSORS IN RESPECT OF
INITIAL LISTING APPLICATIONS**

Due diligence

15. Typical due diligence inquiries in relation to the new applicant's accounting and management systems and in relation to the directors' appreciation of their and the new applicant's obligations include:

- a) assessing the new applicant's accounting and management systems that are relevant to:
 - (i) ~~to the obligations of the new applicant and its directors under to~~ comply with the Exchange Listing Rules and other legal and regulatory requirements, in particular the financial reporting, disclosure of price sensitive information and notifiable and connected transaction and inside information requirements; and
 - (ii) ~~to the directors' ability to make a proper assessment of the financial position and prospects of the new applicant and its subsidiaries, both before and after listing.~~

Such assessment should cover the new applicant's compliance manuals, policies and procedures including corporate governance policies and any letters from ~~given by~~ the reporting accountants to the new applicant ~~that commenting on the new applicant's accounting and management systems or other internal controls; and~~

- b) ...

Note: Listed issuers should note that even if a transaction is not required to be disclosed pursuant to the provisions of this Chapter, it may nevertheless be required to be disclosed under the listed issuer's general obligation to keep the market informed of all price sensitive information (see rule 13.09).

Definitions

14.04 For the purposes of this Chapter:—

(1) any reference to a "transaction" by a listed issuer:

(g)

Notes:

To the extent not expressly provided in rules 14.04(1)(a) to (f), any transaction of a revenue nature in the ordinary and usual course of business of a listed issuer will be exempt from the requirements of this Chapter. However, listed issuers should note that any such transaction may nevertheless be required to be disclosed under the listed issuer's general obligation to keep the market informed of all price sensitive information (see rule 13.09).

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Requirements for all transactions

Notification and announcement

14.34 As soon as possible after the terms of a share transaction, discloseable transaction, major transaction, very substantial disposal, very substantial acquisition or reverse takeover have been finalised, the listed issuer must in each case:—

(1) inform the Exchange; and

Note: Under rule 13.09, a listed issuer's notification obligations in respect of information expected to be price sensitive arise as soon as that information is the subject of a decision.

(2) publish an announcement in accordance with rule 2.07C as soon as possible. See also rule 14.37.