



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

Our Ref: 20070723-00019

25 July 2007

To: Main Board Listed Issuers (Attn: Authorised Representatives)
GEM Listed Issuers (Attn: Authorised Representatives)

Dear Sirs

Reminder on selection of headlines under Electronic Disclosure

Thanks to the support and concerted effort of listed issuers, the Exchange has successfully launched the Electronic Disclosure Project (EDP) on 25 June 2007. Drawing on our experience over the last few weeks, we would like to provide further guidance to listed issuers on the selection of headlines when submitting announcements or circulars for publication.

Selection of headline categories during the HKEx-EPS submission process

Rule 2.07C(3) of the Main Board Listing Rules and Rule 16.18(2) of the GEM Listing Rules require a listed issuer to, when submitting a document through HKEx-EPS for publication, select all appropriate headlines from the list of headlines set out in Appendix 24 to the Main Board Listing Rules or Appendix 17 to the GEM Listing Rules. The use of headlines provides useful and meaningful classification of documents published by listed issuers based on the document type and the content of the published documents. Proper selection of headlines by listed issuers is essential to enable automatic sorting of announcements and other documents along thematic lines which in turn would facilitate online search by the public.

As a general principle, a listed issuer should select all headlines that are applicable to the content of the document. If an announcement or circular relates to more than one subject matter or is issued to satisfy different listing rule requirements, all headlines relating to the subject matters and listing rule requirements must be selected.

Based on our observations over the last few weeks, common errors include the following:

1. Incomplete selection of all applicable headlines for announcements and circulars submitted for publication. Listed issuers selected only the most appropriate headlines, or the headlines which describe the most important aspect of the documents. Common examples of applicable headlines not selected include:

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Hong Kong Exchanges and Clearing Limited

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- a. Failure to select “price-sensitive information” headline for a notifiable transaction or one involving issuance of securities where the subject matter of the announcement is price sensitive in nature. (see example 2 in the appendix).
 - b. Failure to select headlines on trading arrangements and corporate actions for announcements where the nature of the transaction also involves trading arrangements or corporate actions. (see example 5 in the appendix).
 - c. Failure to select all applicable headlines relating to “Corporate Positions and Committees/ Corporate Changes” where there is one change of personnel with multiple headline categories that are applicable. (see example 14 in the appendix).
 - d. Failure to select all applicable headlines relating to “Securities/ Share Capital” to describe the nature of securities issued (e.g. shares, preference shares, convertible securities, etc.), the mandate used (e.g. general mandate, specific mandate), and the method of issuance (e.g. open offer, consideration issue, placing, etc.). (see example 3 in the appendix).
2. Selection of “other” headline in circumstances where there are more appropriate headlines. Generally, the headline “other” should be selected only if no alternative headlines can be found.

To assist listed issuers, we have set out in the appendix to this letter examples of common errors made by listed issuers in selecting headlines for certain types of announcements and circulars.

You may also refer to the *Guide on Pre-vetting Requirements and Selection of Headline Categories for Announcements* published by the Exchange in June 2007 on the HKEx website at http://www.hkex.com.hk/listing/suppmat/guide_pre_vetting_req.htm which contains a list of headline categories usually applicable to various types of announcements issued pursuant to specific Listing Rules.

We understand that listed issuers commonly engage printers to assist in the submission of documents through HKEx-EPS for publication. In these circumstances, you should ensure that the appropriate headlines are properly communicated to the printers responsible for the actual submission of documents through the HKEx-EPS.

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If you have any questions in relation to the contents of this letter and the appendix thereto, please do not hesitate to contact the Listing Division officers responsible for monitoring your company. 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]

Richard Williams
Head of Listing

Encl.

(cc: Market Practitioners)

Note: In April 2014, the Exchange has introduced new headline categories to give investor more information about the nature of announcements falling under the headlines “Overseas Regulatory Announcement” and “Others”. See also Items 2 and 4 in Frequently Asked Questions Series 27 published in March 2014.

(Added in March 2014)

Appendix: Examples of Common errors and omissions of headlines by listed issuers

This table sets out headlines that were often omitted by listed issuers in certain types of announcements and circulars cited below. The list of headlines cited therein is not an exhaustive list but represents headlines commonly applicable to the subject matter of the relevant announcement or circular. Listed issuers should assess their applicability based on the content of their own announcement or circular.

Example	Description of subject matter of the announcement/ circular	(1) Headlines in shaded boxes were selected by listed issuers	Remarks: headlines on the left column are cited for reference only and should be selected by listed issuers to the extent applicable based on the content of the announcement/ circular.
		(2) Headlines in non-shaded boxes are frequently omitted by listed issuers	
Announcements			
1.	Final results announcement	<ul style="list-style-type: none"> ▪ Final Results ▪ Closure of Books or Change of Book Closure Period ▪ Dividend or Distribution ▪ Qualified and/or Modified Audit Opinion ▪ Capitalisation Issue 	<ul style="list-style-type: none"> - e.g. book close for voting at AGM and/or for dividends - e.g. in the case where a dividend is declared - e.g. where the auditors issued a qualified opinion on the issuers' financial statements - e.g. proposed bonus issue
2.	Release of the results of a major subsidiary to an overseas stock exchange, which is price-sensitive in nature	<ul style="list-style-type: none"> ▪ Overseas Regulatory Announcement ▪ Results of a Subsidiary ▪ Price-Sensitive Information 	<ul style="list-style-type: none"> - where the overseas regulatory announcement is also issued pursuant to Main Board Rule 13.09/ GEM Rule 17.10
3.	Placing of new shares under a general mandate	<ul style="list-style-type: none"> ▪ Placing ▪ Price-Sensitive Information ▪ Issue of Shares under a General Mandate 	
4.	Placing of convertible notes under a specific mandate	<ul style="list-style-type: none"> ▪ Placing ▪ Price-Sensitive Information ▪ Issue of Convertible Securities ▪ Issue of Shares under a Specific Mandate 	
5.	Rights issue of shares	<ul style="list-style-type: none"> ▪ Rights issue ▪ Price-Sensitive Information ▪ Trade Arrangements (other than Change in Board Lot Size) 	
6.	Discloseable transaction – disposal of a subsidiary which is price sensitive in nature	<ul style="list-style-type: none"> ▪ Discloseable Transaction ▪ Price-Sensitive Information 	
7.	Major acquisition involving issue of consideration shares	<ul style="list-style-type: none"> ▪ Major Transaction ▪ Price-Sensitive Information ▪ Consideration issue ▪ Issue of Shares under a Specific Mandate 	

Example	Description of subject matter of the announcement/ circular	(1) Headlines in shaded boxes were selected by listed issuers	Remarks: headlines on the left column are cited for reference only and should be selected by listed issuers to the extent applicable based on the content of the announcement/ circular.
		(2) Headlines in non-shaded boxes are frequently omitted by listed issuers	
8.	Very substantial acquisition involving issue of convertible notes as consideration	<ul style="list-style-type: none"> ▪ Very substantial acquisition ▪ Price-Sensitive Information ▪ Consideration issue ▪ Issue of Convertible Securities ▪ Issue of Shares under a Specific Mandate 	
9.	Delay in publication of a major transaction circular	<ul style="list-style-type: none"> ▪ Delay in Dispatch of Circular or other Document ▪ Major transaction 	
10.	Completion of a major transaction previously announced	<ul style="list-style-type: none"> ▪ Other ▪ Major transaction 	The headline “Other” should not be selected in this case.
11.	Signing of a letter of intent relating to a proposed acquisition which is price sensitive in nature	<ul style="list-style-type: none"> ▪ Other ▪ Price-Sensitive Information 	The headline “Other” should not be selected in this case.
12.	Signing of a letter of intent relating to a proposed acquisition which is not price sensitive in nature	<ul style="list-style-type: none"> ▪ Other 	
13.	Clarification of board meeting date previously announced	<ul style="list-style-type: none"> ▪ Other ▪ Date of Board Meeting 	The headline “Other” should not be selected in this case.
14.	Resignation of an independent non-executive director (“INED”) who is also a member of the audit committee, leading to non-compliance with the requirement for the minimum number of INED	<ul style="list-style-type: none"> ▪ Change in Directors or of Important Executive Functions or Responsibilities ▪ Change in Audit Committee Member ▪ Non-compliance with Audit Committee Requirements/ Non-compliance with INED Requirements or INED Failing to Meet Independence Guidelines 	
15.	Announcement on results of special general meeting	<ul style="list-style-type: none"> ▪ Results of EGM/SGM ▪ Results of Voting by Poll 	
16.	Notice of annual general meeting containing details of amendments to constitutional documents	<ul style="list-style-type: none"> ▪ Notice of AGM ▪ Amendments of Constitutional Documents 	

Example	Description of subject matter of the announcement/ circular	(1) Headlines in shaded boxes were selected by listed issuers	Remarks: headlines on the left column are cited for reference only and should be selected by listed issuers to the extent applicable based on the content of the announcement/ circular.
		(2) Headlines in non-shaded boxes are frequently omitted by listed issuers	
17.	Monthly announcements in respect of exercising the conversion rights attaching to convertible securities with a material dilution effect	▪ Other	The headline “Other” should not be selected in this case.
		▪ Conversion of securities	select regardless of whether there was any conversion of securities during the relevant period.
18.	Mandatory cash offer for shares of the issuer	▪ Announcement by Offeree pursuant to Takeovers Code	
		▪ Announcement by Offeror pursuant to Takeovers Code	
		▪ Price-Sensitive Information	
		▪ Change in Directors or of Important Executive Functions or Responsibilities	
Circular			
19.	General mandates to issue shares and repurchase shares, re-election of directors and refreshment of share option scheme mandate	▪ General Mandate	
		▪ Explanatory Statement for Repurchase of Shares	
		▪ Re-election or Appointment of Director subject to Shareholders’ Approval	
		▪ Share Option Scheme	
20.	Very substantial acquisition involving issue of convertible notes to satisfy the consideration	▪ Very substantial acquisition	
		▪ Issue of Convertible Securities	
21.	Rights issue of shares	▪ Rights issue	
		▪ Issue of Shares	