

Listing Committee  
Report 2021





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# Foreword

## Purpose of this Report

This report is an account of the work of the Listing Committee<sup>1</sup> of The Stock Exchange of Hong Kong Limited (the **Exchange**) for the year ended 31 December 2021. It highlights the matters the Listing Committee (the **Committee**) has dealt with during the year that it believes will be of greatest interest to the investing public, practitioners and issuers, and outlines the position or action the Committee, the Listing Division (the **Division**) and the Exchange have taken. It also includes a policy agenda of matters that the Listing Committee plans to consider in 2022 and beyond.

This report has been prepared for the board of the Exchange and the board of its parent company, Hong Kong Exchanges and Clearing Limited (**HKEX**) and was approved by the Committee for submission to meetings of those boards held on 21 February 2022. It will be forwarded to the Financial Services and the Treasury Bureau, the Securities and Futures Commission (**SFC**) and posted on the HKEX website.

## The Committee's Workload

In 2021, the Listing Committee considered 119 listing applications (a 21% decrease on last year) in addition to hearing 18 review and 29 disciplinary cases. Sub-committee meetings were held to discuss matters relating to special purpose acquisition companies (**SPACs**), a review of GEM, corporate governance (**CG**)/environmental, social and governance (**ESG**) matters, share schemes for listed issuers and rule amendments on bookbuilding and placing activities. The Exchange published four new Guidance Letters, two new Listing Decisions, six consultation papers and five consultation conclusions in the year.

## Market Development

In December 2021, the Exchange concluded its consultation on proposals to create a Hong Kong listing framework for SPACs to provide greater diversity of choice for issuers and investors within appropriate safeguards. Working closely with the SFC, the Exchange took just over nine months to develop the regime from the announcement of the initiative by the Government in March 2021 to its implementation on 1 January 2022. We have since received several applications and expect the first Hong Kong SPAC to be listed before the end of the first quarter of this year.

For issuers listed on overseas markets seeking “homecoming” listings in Hong Kong, the Exchange enhanced and streamlined its Rules with a consultation on the listing regime for overseas issuers. The conclusions that were published in November 2021 increased the accessibility of our markets without compromising protection for shareholders in Hong Kong. We also published guidance for issuers listed overseas that may be subject to a change in their listing status from a secondary listing to a dual primary or primary listing.

As at the end of the year, new economy listings accounted for 21% (2020: 22%) of total market capitalisation and average daily turnover of HK\$29,116 million, representing 20% of market turnover (2020: HK\$17,777 million, representing 17%).

<sup>1</sup> The Main Board and GEM Listing Committees have operated as a combined committee since 2003, and membership of the committees was fully unified in May 2006. The expressions “Listing Committee” and “Committee” refer to the combined committee.

## Progressing CG and ESG

The revised Corporate Governance Code (**CG Code**) and related Listing Rules were published in December 2021 which further enhanced CG standards among listed issuers in Hong Kong, specifically in the areas of corporate culture, director independence and diversity. We put in place rules to end single gender boards and require issuers to set numerical targets and timelines for board gender diversity.

On the ESG front, we published a Guidance on Climate Disclosure in November 2021 following the incorporation of certain key recommendations from Task Force on Climate-Related Financial Disclosures (**TCFD**) in our ESG reporting requirements. Green, social and sustainable bond (**GSS Bond**) listings on HKEX increased, with 95 listings raising over HK\$280 billion, compared with 18 listings raising HK\$67 billion in 2020.

In 2021, we also launched a new centralised ESG educational platform, ESG Academy, to guide issuers and the broader business community in their sustainability journeys. This serves as a compass for stakeholders to gain a clear understanding on evolving ESG requirements.

## Strengthening Our Disciplinary Powers and Sanctions

In July, the Exchange implemented changes to the Listing Rules to augment the range of reputational sanctions available to it and ensure that disciplinary action can be brought against a broader range of individuals. The amended Rules strengthened the Exchange's powers to hold accountable, and impose appropriate sanctions on, individuals responsible for misconduct and Listing Rule breaches.

## Embracing Technology

One of the aims of HKEX's 2019-2021 strategic plan was to leverage technology to modernise its core business. We took several more steps to achieving this goal in 2021.

On 6 July 2021, HKEX announced it would introduce a new platform, FINI (Fast Interface for New Issuance), to comprehensively streamline and digitalise Hong Kong's IPO settlement process. Following overwhelming support for this initiative, we concluded in July that we would proceed with the next phase towards reducing the IPO settlement cycle from T+5 to T+2. To ensure that there is ample time for market readiness ahead of the introduction of FINI, we will not roll out FINI before the fourth quarter of 2022. A designated section of the HKEX website was set up to house all relevant information on FINI.

In 2021, the Exchange also launched and updated its e-Forms for the submission of routine information to the Exchange by listed issuers and IPO applicants<sup>2</sup>.

During 2021, the Division also adopted two additional AI-empowered tools to facilitate the identification of parties behind transactions and to map the relationships between transactions conducted by issuers belonging to networks.

<sup>2</sup> On 23 January 2021, 27 February and 4 December 2021. Please note that a new e-Form has also been launched on 5 December 2021 for debt issuers/guarantors to submit their financial statements for compliance with their continuing obligations.

## Looking Ahead

Our focus in 2022, and beyond, will continue to be twofold as we work to both develop the Hong Kong market and enhance its quality.

### Market Development

We will review our IPO eligibility requirements for issuers from specialist technology sectors that currently find it difficult to raise capital on the Main Board due to our eligibility tests, including pre-profit ventures that require funding for their research and development costs.

In 2022, we also intend to launch a consultation on proposals to optimise the IPO price discovery process.

### Market Quality

In addition to concluding on our consultation regarding the share schemes of listed issuers, we will also launch a new consultation on further proposals to enhance ESG standards and climate disclosures.

A full list of our policy agenda for 2022 and beyond is set out on page 32.

I would like to thank the Committee members and the Division for their hard work in another very productive and successful year.



**Peter Brien**  
Chairman

# Main Topics Arising In The Year

1. This section contains the matters that the Listing Committee has dealt with during the year that it believes will be of greatest interest to the investing public, practitioners and issuers, and outlines the position or action the Listing Committee, the Division and the Exchange have taken. A full list of policy matters considered by the Committee is set out in Appendix 2.

## Consultations

### Consultation Paper and Conclusions on Special Purpose Acquisition Companies (SPACs)

2. In March 2021, the Government announced that the Exchange and the SFC would “*explore suitable listing regimes in view of the SPAC trend, to enhance the competitiveness of Hong Kong as an international financial centre, while at the same time safeguarding the interests of the investing public.*”
3. On 17 September 2021, the Exchange published a consultation paper seeking market feedback on proposals to create a listing regime for SPACs in Hong Kong.
4. The Exchange received 90 non-duplicate responses from a wide range of different types of respondents. The majority of the proposals received over 80% support. In light of the responses received and based on the reasons set out in the consultation paper, the Exchange adopted all the proposals outlined in the consultation paper with modifications as set out in the consultation conclusions paper published on 17 December 2020.
5. The relevant Rule amendments became effective on 1 January 2022 and we expect the first Hong Kong SPAC to be listed before the end of the first quarter of this year. The [consultation paper](#), [consultation conclusions](#) and copies of [respondents’ submissions](#) are available on the HKEX website.
6. The main features of the Exchange’s listing regime for SPACs are set out below.

#### Initial Listing Requirements

- (a) *SPAC Promoters*: SPAC Promoters must meet suitability and eligibility requirements, and each SPAC must have at least one SPAC Promoter that is an SFC licensed firm<sup>3</sup> holding at least 10% of the Promoter Shares<sup>4</sup>
- (b) *Dilution Cap*: Promoter Shares are capped at a maximum of 20% of the total number of all shares in issue as at the initial offering date<sup>5</sup>; and 50% cap is placed on dilution from the exercise of warrants
- (c) *Fund Raising Size*: the funds expected to be raised by a SPAC from its initial offering must be at least \$1 billion

3 Firms with a Type 6 (advising on corporate finance) and/or a Type 9 (asset management) license issued by the Securities and Futures Commission.

4 Promoter Shares are a separate class to the ordinary listed SPAC shares that are convertible into ordinary shares of the Successor Company, issued by a SPAC exclusively to a SPAC Promoter at nominal consideration as a financial incentive to establish and manage the SPAC.

5 A SPAC can issue additional Promoter Shares representing an amount of not more than 10% of the total number of all shares in issue as at the initial offering date if their conversion into the shares of the Successor Company is subject to meeting “earn-out” performance targets.

### Trading Arrangements

- (d) *Investor Suitability*: the subscription for and trading of a SPAC's securities is restricted to Professional Investors<sup>6</sup> only. This restriction would not apply to the trading of the Successor Company<sup>7</sup> shares post the De-SPAC Transaction

### De-SPAC Transactions

- (e) *Application of New Listing Requirements*: a Successor Company must meet all new listing requirements (including minimum market capitalisation requirements and financial eligibility tests)
- (f) *Independent Third Party Investment*: this would be mandatory and must constitute a certain percentage of the negotiated value of the target of the De-SPAC Transaction (staggered in proportion to the size of the target), to support the valuation of the Successor Company
- (g) *Shareholder Vote*: a De-SPAC Transaction must be approved by SPAC shareholders at a general meeting (excluding the SPAC Promoter and other shareholders with a material interest)
- (h) *Redemption Option*: SPAC shareholders must be given the option to redeem their shares prior to: a De-SPAC Transaction; a change in SPAC Promoter; and any extension to the deadline for finding a suitable De-SPAC Target

### De-listing

- (i) *Return of Funds to Shareholders*: if a SPAC is unable to announce a De-SPAC Transaction within 24 months, or complete one within 36 months, the SPAC must return the funds it raised at its initial offering to all holders of SPAC Shares as held in the escrow account on a pro rata basis. Upon the return of funds, the Exchange will cancel the listing of the SPAC's securities following the Exchange's publication of an announcement notifying the cancellation of listing.

## Consultation Paper and Conclusions on Listing Regime for Overseas Issuers

7. On 31 March 2021, the Exchange published a consultation paper seeking public feedback on proposals to enhance and streamline the listing regime for overseas issuers<sup>8</sup>.
8. The Exchange received 48 non-duplicate responses from a broad range of respondents and the proposals received majority support. The Exchange adopted all the proposals outlined in the consultation paper with minor modifications to reflect the comments received from respondents. The amended Listing Rules and the new guidance materials took effect from 1 January 2022 with transitional arrangements set out in the consultation conclusions.

<sup>6</sup> Persons falling under paragraphs (a) to (j) of the definition of "professional investor" in section 1 of Part 1 of Schedule 1 to the SFO.

<sup>7</sup> A Successor Company is the listed issuer following the completion of a De-SPAC Transaction.

<sup>8</sup> Issuers that are not incorporated or otherwise established in Hong Kong or the People's Republic of China.



9. The consultation paper, consultation conclusions and copies of respondents' submissions are available to view on the HKEX website.
10. The changes included:
  - (a) The establishment of one common set of core shareholder protection standards to apply to all issuers, providing the same level of protection to all investors;
  - (b) Greater China Issuers<sup>9</sup> without a weighted voting rights (**WVR**) structure can now secondary list: (i) without demonstrating they are “innovative companies” and (ii) with a lower minimum market capitalisation at listing than currently required; and
  - (c) Grandfathered Greater China Issuers<sup>10</sup> and Non-Greater China Issuers<sup>11</sup> (that are eligible for secondary listing) can now opt for a dual primary listing with their existing WVR and/or variable interest entity structures<sup>12</sup>.
11. In view of geo-political events in 2021, the Exchange also published a guidance letter on change of listing status, to provide guidance for secondary listed issuers (including Greater China Issuers listed on US markets) regarding:
  - (a) The migration of the majority of trading in an issuer’s securities from an overseas exchange to Hong Kong;
  - (b) Voluntary conversion to a dual-primary listing on the Exchange; and
  - (c) De-listing from overseas exchanges of primary listing.
12. The Exchange also published a new guidance letter for overseas issuers and launched a re-vamped webpage dedicated to the “Listing of Overseas Companies”. This brings all the Rules, checklists, guidance letters, listing decisions and FAQs that are applicable to overseas issuers onto one page for the convenience of the public, investors, issuers and their advisers.

9 Overseas issuers with a centre of gravity in Greater China primary listed on a Qualifying Exchange (i.e. The New York Stock Exchange, Nasdaq Stock Market or the Main Market of the London Stock Exchange plc (and belonging to the UK Financial Conduct Authority’s “Premium Listing” segment)).

10 Issuers with a centre of gravity in Greater China (a) primary listed on a Qualifying Exchange on or before 15 December 2017; or (b) controlled by corporate WVR beneficiaries (as defined in the revised Listing Rules) as at 30 October 2020 and primary listed on a Qualifying Exchange after 15 December 2017 but on or before 30 October 2020.

11 Issuers with a centre of gravity outside of Greater China primary listed on a Qualifying Exchange.

12 Retention of these structures is subject to relevant domestic laws and regulations. The Exchange’s requirements regarding these variable interest entity structures are set out in Guidance Letter HKEX-GL77-14: “Guidance on listed issuers using contractual arrangements for their businesses” and Listing Decision HKEX-LD43-3. These issuers must have a track record of good regulatory compliance of at least two full financial years on a Qualifying Exchange, and meet the higher minimum market capitalisation requirements applicable to an applicant with WVR (i.e. at least HK\$40 billion at the time of listing; or a market capitalisation of at least HK\$10 billion at the time of listing and revenue of at least HK\$1 billion for the most recent audited financial year). They must also comply with other applicable suitability requirements as set out in the Consultation Conclusions and guidance materials published by the Exchange from time to time.



## Consultation Paper and Conclusions on Review of Corporate Governance Code and Related Listing Rules

13. On 16 April 2021, the Exchange published a Consultation Paper on Review of Corporate Governance Code and Related Listing Rules outlining proposed enhancements to the Corporate Governance Code and Corporate Governance Report, as well as related amendments to the Listing Rules.
14. The Exchange received 214 non-duplicate responses from a broad range of stakeholders, with positive feedback on the proposals. Respondents generally agreed with proposals to strengthen board independence and promote better boardroom gender diversity.
15. Having carefully considered the respondents' views, the Exchange adopted the proposals, with certain modifications or clarifications as set out in the consultation conclusions.
16. The consultation paper, consultation conclusions and respondents' submissions are available on the HKEX website.
17. The key changes are set out below:
  - (a) *Culture*: A company's culture should align with its purpose, values and strategy, and have anti-corruption and whistleblowing policies;
  - (b) *Board independence and refreshment*:
    - A mechanism(s) must be in place to ensure independent views are available to the board that is subject to an annual review as to its effectiveness;
    - For independent non-executive directors (**INEDs**) serving more than nine years (**Long Serving INEDs**):
      - A new INED should be appointed if all INEDs on board are Long Serving INEDs;
      - Additional disclosures should be made on the factors considered, the process and the board's discussion on why a Long Serving INED is still independent and should be re-elected;
      - Disclosure should be made on the length of tenure of Long Serving INEDs on a named basis in the papers to shareholders for annual general meetings;
    - A nomination committee is now mandatory, chaired by either the board chairman or an INED and comprising a majority of INEDs;



(c) *Diversity:*

- A single gender board is no longer considered to be a diverse board;<sup>13</sup>
- Numerical targets and timelines must be set for achieving gender diversity at board level, and an issuer's board diversity policy must be subject to an annual review;
- Disclosure must be made on gender ratios in the workforce (including senior management), and plans or measurable objectives the issuer has set for achieving gender diversity must be disclosed;

(d) *Communications with shareholders:* disclosure on an issuer's shareholders communication policy is now mandatory, and its effectiveness must be subject to annual review; and

(e) *ESG:* ESG reports must now be published at the same time as annual reports.

18. The amended Listing Rules and CG Code came into effect on 1 January 2022, and the requirements under the new CG Code will apply to CG reports for financial years commencing on or after 1 January 2022.

### Consultation Paper and Conclusions on Review of Listing Rules relating to Disciplinary Powers and Sanctions

19. On 7 August 2020, the Exchange published a Consultation Paper on a Review of Listing Rules relating to Disciplinary Powers and Sanctions. The consultation paper took a holistic view of the regime, with a focus on ensuring that it remains fit for purpose, promotes market quality and aligns with stakeholder expectations and international best practice.
20. On 20 May 2021, the Exchange published conclusions stating that it had received 107 responses to the consultation from a broad range of respondents of which 99 responses contained original content. All but one of the proposals received majority support.
21. The Exchange implemented all the proposals, with minor modifications in response to comments received on the proposal that did not receive majority support (regarding secondary liability of Relevant Parties) as set out in the Disciplinary Consultation Conclusions. The revised Listing Rules came into effect from 3 July 2021.
22. The consultation paper, consultation conclusions and copies of the respondents' submissions are available to view on the HKEX website.
23. The changes augment the range of reputational sanctions available. They ensure that disciplinary action can be brought against a broader range of individuals, including members of senior management, if they cause or knowingly participate in a contravention of the Listing Rules. Overall, the amended Rules strengthen the Exchange's powers to hold accountable, and impose appropriate sanctions on, individuals responsible for misconduct and Listing Rule breaches.

13 Existing listed issuers have a three-year transition period to comply (i.e. they must appoint a director of a different gender no later than 31 December 2024). Issuers that have made a commitment in a listing document should appoint a director of a different gender in accordance with that commitment. IPO Applicants must identify at least one director of a different gender to that of the rest of the board for A1 submissions filed on or after 1 July 2022.



## Consultation Paper on Proposed Amendments to the Listing Rules Relating to the Share Schemes of Listed Issuers

24. On 29 October 2021, the Exchange published a consultation paper on “Proposed Amendments to Listing Rules relating to Share Schemes of Listed Issuers” seeking market views on its proposal to extend Chapter 17<sup>14</sup> of the Rules to also govern share award schemes, in view of the increasing adoption of these schemes. The Exchange also proposed changes to specific requirements in Chapter 17, such as the definition of eligible participants and the requirements for scheme mandate refreshments, to align them with the purpose of share schemes and to improve disclosure of grants of share options and share awards.
25. The paper included the following proposals:

### Share Schemes involving issuance of new shares of listed issuers

- (a) To extend Chapter 17 to govern all share schemes involving grants of share awards and grants of options to acquire new shares of issuers;
- (b) To define eligible participants of Share Schemes<sup>15</sup> to include Employee Participants<sup>16</sup>, Related Entity Participants<sup>17</sup> and Service Providers<sup>18</sup>. Share Grants<sup>19</sup> to Related Entity Participants and Service Providers must be approved by the remuneration committee with reasons for grants clearly disclosed;
- (c) Scheme mandate:
- (i) To apply a Scheme Mandate Limit<sup>20</sup> not exceeding 10% of an issuer’s issued shares to all Share Schemes of the issuer and to require the issuer to set a Service Provider Sublimit<sup>21</sup> within the Scheme Mandate Limit and disclose the basis for determining the sublimit;
- (ii) To require independent shareholders’ approval for the refreshment of a scheme mandate within a three year period;

14 Chapter 17 currently provides a framework that governs share option schemes only. For share award schemes, issuers must seek shareholders’ approval for each grant of new shares at a general meeting, or issue new shares under a general mandate. The proposals would allow more flexibility for issuers to grant new shares under share award schemes.

15 “Share Schemes” refer to both share option schemes and share award schemes.

16 “Employee Participants” refer to directors and employees of the issuer or any of its subsidiaries (including persons who are granted shares or options under the scheme as an inducement to enter into employment contracts with these companies).

17 “Related Entity Participants” refer to directors and employees of the holding companies, fellow subsidiaries or associated companies of the issuer.

18 “Service Providers” refer to the persons who provide services to the issuer group on a continuing and recurring basis in their ordinary and usual course of business which are material to the long term growth of the issuer group.

19 “Share Grants” refer to grants of share awards and/or share options to acquire new shares of the issuer (in respect of an issuer’s Share Schemes) or grants of share awards and/or options to acquire new or existing shares of the subsidiary (in respect of a subsidiary’s Share Scheme).

20 “Scheme Mandate Limit” refers to the limit on Share Grants under all share schemes of an issuer (or, for a subsidiary scheme, its subsidiary) approved by its shareholders.

21 “Service Provider Sublimit” refers to a sublimit under the Scheme Mandate Limit for Share Grants to Service Providers.

- (d) To require approval by shareholders of Share Grants to an individual participant in excess of the 1% Individual Limit<sup>22</sup>;
- (e) To require a minimum vesting period of 12 months, unless a shorter vesting period is approved by the remuneration committee in respect of Share Grants made to Employee Participants specifically identified by the issuer;
- (f) To require disclosure of the details of Share Grants by the issuer to the following participants to be made on an individual basis: (i) a Connected Person<sup>23</sup>; (ii) a participant with Share Grants in excess of the 1% Individual Limit; (iii) a Related Entity Participant or Service Provider with Share Grants in excess of 0.1% of the issuer's issued shares over any 12-month period;

#### Share Schemes funded by existing shares of listed issuers

- (g) To require disclosure of the terms of the scheme and details of the grants of existing shares consistent with that applicable to Share Schemes funded by issuance of new shares;

#### Share Schemes of subsidiaries of listed issuers

- (h) To extend Chapter 17 to govern subsidiaries' share award schemes that are funded by new or existing shares of the subsidiaries.

26. The consultation paper is available on the HKEX website. The consultation period closed on 31 December 2021. The Exchange is considering the responses received and will publish its conclusions in due course.

### Consultation Conclusions on the Main Board Profit Requirement

27. The Main Board profit requirement (**Profit Requirement**) is one of the three pivotal financial eligibility tests forming part of the robust qualitative and quantitative assessment of applicants seeking to list on the Main Board. The Profit Requirement, however, had remained at the same level since its introduction in 1994 and had been exploited in some cases of misconduct, which threatened to undermine the quality of the market.
28. On 27 November 2020, the Exchange published a "Consultation Paper on The Main Board Profit Requirement". The Exchange received 115 non-duplicate responses from a broad range of respondents that were representative of all stakeholders in the Hong Kong capital market.
29. Respondents to the consultation agreed on the importance of maintaining a high level of market quality, and ensuring that the Main Board attracts with quality profiles companies, and acknowledged that the risk of misconduct must be addressed to protect the interest of investors. However, there were diverse views on the quantum of proposed increase in the Profit Requirement and the proposed timing of implementation. The majority of respondents indicated that the Exchange should consider alternative requirements, such as a lower level of increase.

<sup>22</sup> "1% Individual Limit" refers to the limit on Share Grants to an individual participant over any 12-month period, which, without shareholders' approval, must not exceed 1% of the issued shares of the issuer (or, for a subsidiary scheme, its subsidiary).

<sup>23</sup> "Connected Person" refers to a director, chief executive or substantial shareholder of the issuer or an associate of any of them.



30. After careful consideration of all feedback, on 20 May 2021, the Exchange published consultation conclusions adopting the following modified approach:
- (a) a 60% increase in the Profit Requirement and amendment of the profit spread (the **Modified Profit Increase**);
  - (b) an implementation date of the Modified Profit Increase of 1 January 2022; and
  - (c) providing flexibility by granting relief from the profit spread in case-specific circumstances.
31. The Exchange stated that it would continue to work with the SFC to combat the regulatory issues identified in the consultation conclusions through a robust review of listing applications, and would place heightened scrutiny on cases displaying features described in the “Joint Statement on IPO-related Misconduct” that was published with the SFC alongside the Exchange’s consultation conclusions.
32. The Exchange will also launch a review of GEM to consider, amongst other things, comments received regarding GEM’s positioning, market perception, and viability as an alternative to the Main Board (see “Policy Agenda for 2022 and Beyond”).
33. The consultation paper, consultation conclusions and respondents’ submissions are available on the HKEX website.

### Conclusions to Concept Paper on Modernising Hong Kong’s IPO Settlement Process

34. In November 2020, the Exchange published a Concept Paper on Modernising Hong Kong’s IPO Settlement Process (**IPO Settlement Concept Paper**) proposing the introduction of FINI (Fast Interface for New Issuance).
35. HKEX received 49 non-duplicate responses from stakeholders across both the buy-side and sell-side of Hong Kong’s IPO market, with 90% expressing support for FINI’s introduction. The vast majority of the respondents agreed this would benefit Hong Kong’s IPO market by reducing market risk, increasing efficiency, modernising participants’ interactions and laying a competitive digital foundation for Hong Kong’s primary market infrastructure.
36. On 6 July 2021, HKEX announced that, having taken into account respondents’ feedback and operational needs, it will proceed with the development of FINI for handling all Hong Kong IPOs, initially adopting a T+2 settlement cycle<sup>24</sup>. HKEX will ensure that there is ample time for market readiness ahead of the introduction of FINI and therefore expects FINI to be rolled out in the fourth quarter of 2022, at the earliest.

24 A T+3 or longer IPO settlement period will be possible upon advance request by issuers.

## Stakeholder Engagement

### E-learning

37. In 2021, the Exchange launched three new e-learning modules on the following topics:
- (a) Equity fundraisings by listed issuers, which introduced Rules applicable to different types of fundraising such as rights issues and placings, and requirements to protect minority shareholders from material dilution (launched on 13 January 2021);
  - (b) Continuing obligations of listed issuers, which covered three aspects including (i) corporate governance, (ii) key disclosure requirements, and (iii) continuing listing requirements (e.g. public float, sufficient operation and assets, and suitability, etc.) (launched on 24 September 2021); and
  - (c) Continuing disclosure obligations and trading halts, which covered three aspects including (i) inside information, (ii) requirements, practices and case studies relating to trading halts, and (iii) specific suspension requirements (launched on 30 December 2021).

### Corporate Governance

38. In December 2021, to assist issuers' compliance with the revised Listing Rules and the new Corporate Governance Code that came into effect on 1 January 2022<sup>25</sup> (the **New CG Requirements**), the Exchange published:
- A new guide (Corporate Governance Guide for Boards and Directors) to assist issuers' compliance with the new requirements. The new guide is intended to stimulate the board's thinking on how they can carry out their role most effectively, and should be read alongside the amended CG Code; and
  - Updated the FAQ Series 17 on corporate governance reporting to reflect the New CG Requirements.

### ESG

39. As part of the Exchange's continued commitment to support and educate the market on ESG, in November 2021 the Exchange:
- Published a Guidance on Climate Disclosures to provide guidance on preparing climate disclosures that align with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations;
  - Published the "Analysis of IPO applicants' corporate governance and ESG practice disclosure in 2020/2021" to provide guidance regarding prospectus disclosures and expected practice for meaningful and decision-useful information.

<sup>25</sup> The requirements under the new Corporate Governance Code will apply to CG reports for financial years commencing on or after 1 January 2022 (except the requirement to appoint a new INED where all the INEDs on a board are Long Serving INEDs will be implemented for the financial year commencing on or after 1 January 2023).



40. In 2021, the Exchange launched a centralised platform, ESG Academy, showing issuers' good ESG practice, to incentivise issuers towards better ESG practices, improve the quality of corporate governance and company performance.

### Reviews of Listed Issuers' Annual Disclosure

41. In 2021, the Division undertook two on-going review programmes of listed issuers' annual disclosure, namely:
- (a) our Review of Issuers' Annual Reports; and
  - (b) our IPO Analysis of CG and ESG Review.

### Review of Issuers' Annual Reports

42. The Division reviews listed issuers' annual reports as part of its monitoring activities. It undertakes an on-going review programme to:
- (a) Review listed issuers' compliance with annual report disclosure requirements under the Rules and our recommended disclosure in previous reports; and
  - (b) Assess listed issuers' compliance with specific accounting standards in financial statements.
43. The Division adopts a thematic approach, selecting a number of specific areas for review based on the results of previous reports as well as areas considered to be of higher risks.
44. In 2021, the review covered the annual reports of listed issuers for the financial year ended in 2020. The Division noted that listed issuers continue to achieve a high rate of compliance with the Listing Rule requirements for annual report disclosure. In our thematic review in the areas of auditors' modified opinions, asset impairments and material loans and advances, the Division identified isolated cases involving failures of internal controls and safeguarding of assets by directors. The Division encouraged listed issuers to take note of the issues identified in the report and follow the guidance.

## Stakeholder Communications

### Listing Newsletters

45. On 14 January 2021, the Division published the first bi-annual Listing Newsletter of the year. In this issue we looked to the future and explained how HKEX is embracing the potential of technology regulation to modernise our core business, including how the Division has made use of artificial intelligence (AI) and other technologies to improve the efficiency of our vetting and monitoring process.
46. On 12 August, our second Listing Newsletter of 2021 contained an article on the role of a director in which we looked at five areas directors should be mindful of in order to meet their significant duties and wide-ranging responsibilities. We also emphasised the importance of directors' independence, board refreshment and succession planning and shared the status of our study on the feasibility of a Hong Kong SPAC framework.

### Listed Issuer Regulation Newsletters

47. We published two Listed Issuer Regulation Newsletters in May and December 2021 respectively.
48. The May 2021 edition provided the market with (a) an update on issuers' compliance with financial reporting obligations amidst the Covid-19 pandemic; (b) guidance on lending transactions; (c) guidance on circumstances where the Exchange may request issuers' confirmation on any material loan arrangements between a counterparty and the connected persons of an issuer; and (d) highlights of issuers' spin-off activities.
49. The December 2021 edition highlighted the Rule changes relating to the revised listing regime for overseas issuers and the revised Corporate Governance Code. It also provided guidance on directors' obligations in corporate actions and provided updates on the Exchange's paperless initiatives.

### Enforcement Bulletin

50. On 15 July 2021, we published the Enforcement Bulletin covering amongst other matters: (a) enforcement procedures and guidance materials; (b) enforcement priorities; and (c) enforcement cases.



## Prospectus and Listing Process

### Guidance for Biotech Companies

51. In February 2021, the Exchange published an updated [Guidance Letter HKEX-GL107-20](#) regarding disclosure in listing documents by Biotech Companies. The guidance letter was updated to address issues including:
- ensuring fair, balanced and accurate disclosure;
  - the avoidance of marketing language, emotional expressions and unsubstantiated descriptions;
  - the greater use of diagrams and flowcharts for illustration purposes; and
  - appropriate disclosure of relevant risk factors.

### Placings to Connected Clients

52. In March 2021, to encourage earlier submission of consent applications when placing securities to connected clients in an IPO, the Division issued a new [Guidance Letter \(HKEX-GL110-21\)](#) on pre-vetting placings to connected clients in an IPO and a revised [Guidance Letter \(HKEX-GL85-16\)](#).
53. The purpose of the guidance is to improve the efficiency of the IPO vetting process, and to avoid potential delay in listing timetables by allowing the Exchange to pre-vet relevant documents.

### Implementation of Paperless Listing Regime

54. In July 2021, the following [Listing Rule changes on the Paperless Listing & Subscription Regime](#) (adopted in December 2020) became effective:
- all listing documents in a New Listing (i.e. an application for listing of equities, debt securities and collective investment schemes on the Exchange by a new applicant where a listing document is required except for a Mixed Media Offer) must now be published in an electronic format only; and
  - new listing subscriptions, where applicable, must be made through online electronic channels only.
55. [FAQs on the Listing Rule changes \(FAQs 075-2021\)](#) were published on 18 June 2021 to help applicants and issuers understand these changes.
56. Also, from 4 October 2021, all issuers were required to publish certain documents (e.g. documents in support of a listing document or circular) on the Exchange's website and on their own website rather than physically display them. They were also able to remove these documents from online publication after the period set for their display in the Listing Rules has elapsed. We also published an amended [waiver guide](#) for issuers seeking relief from disclosure in documents (including those placed on display under the new Rules).

## Guidance for Overseas Issuers and SPACs

57. In January 2022, the Exchange published:
- (a) Guidance Letter HKEX-GL111-22 to overseas issuers who may face practical or operational difficulties complying with the Listing Rules or The Codes on Takeovers and Mergers and Share Buy-backs where there is a potential conflict between the laws and regulations of an issuer's home jurisdiction and the Listing Rules or the Codes; and
  - (b) Guidance Letter HKEX-GL113-22 to provide guidance for SPACs with, or seeking, a listing on the Exchange pursuant to Chapter 18B of the Rules.

## Ongoing Obligations

### Listing e-Forms

58. On 1 January 2021, the Division launched Listing e-Forms, as part of the Exchange's paperless initiative with an aim to streamline and automate current work processes. Listed issuers and new applicants must submit these through the e-submission system (ESS). The Exchange issued new and updated e-Forms with Notices to Issuers, Video Tutorials, ESS Quick Reference Guides, Manuals and FAQs on 11 and 12 June, 16 October, 5 November and 4 December 2021.

### RegTech Tools

59. In line with HKEX's 2019-2021 strategic plan, the Division continued to explore technology solutions to enhance its daily regulatory functions, workflow, and communications with stakeholders. During 2021, the Division adopted two additional AI-empowered tools to facilitate the identification of parties behind transactions, and to map the relationship between transactions conducted by issuers belonging to networks.
60. These tools enable the Division to carry out investigations in a more efficient manner by visualizing complex relationships across different listed issuers and transactions, and tracking the timing, consideration and parties in repeated transactions involving the same or similar assets. Further, they allow the Division to identify issuer networks and handle potentially problematic transactions thematically.

### Sufficiency of Operations

61. In October 2019, the Exchange amended Main Board Listing Rule 13.24 (GEM Listing Rule 17.26) on continuing listing obligations and reverse takeover requirements. One of the objectives of the Rule amendment was to address the issue of "shell companies" in a more effective manner by requiring listed issuers to maintain a level of operations sufficient to maintain their listing status. The amended Rule requires issuers that do not carry out a sufficient level of operations to suspend their securities' trading and take remedial actions.
62. For the year ended 31 December 2021, the Division decided that 16 listed issuers failed to comply with the amended Rule. As at 31 December 2021, five of these 16 decisions were still subject to the review process. For the remaining cases, 10 issuers were suspended from trading and one issuer was privatised by its controlling shareholder.

## Revised Delisting Framework

63. Following the introduction of the revised delisting regime in August 2018, the Exchange may delist a company after a continuous suspension of 18 months (Main Board issuers) or 12 months (GEM issuers) (the **Revised Delisting Regime**).
64. The Revised Delisting Regime aims to: (a) address the issue of prolonged suspension that prevents the proper functioning of the market; (b) remove the listing status from issuers that are in persistent breach of the Rules in a material manner or are suspected of illegal or improper activities; and (c) incentivise issuers to re-comply with the Rules.
65. The Revised Delisting Regime shortens suspension periods by: (a) incentivizing issuers to re-comply with the Rules; and (b) delisting issuers in persistent breach of the Rules.
66. In 2021, 32 suspended companies successfully resolved their regulatory issues and resumed trading, 18 of which were able to resolve their regulatory issues and resume trading within one year of the trading suspension.<sup>26</sup> 36 suspended companies were delisted.<sup>27</sup>

## Other Guidance

67. On 21 May 2021, the Exchange published FAQs (No. 073-2021 to 074-2021) on the notifiable and connected transaction requirements relating to loan transactions and acquisitions of wealth management products.
68. On 11 June 2021, the Exchange updated Guidance Letter (GL106-19) to provide a framework on how the Exchange assesses issuers' compliance with Rule 13.24 and clarification of its assessment of issuers' new businesses.

## Other Listing Related Matters

### Impact of US Executive Order on Structured Products

69. In January 2021, the US executive order prohibiting transactions in securities of "Communist Chinese military companies" by US persons (**US Order**) affected the ability of three structured products issuers (**SP Issuers**) to provide normal liquidity, resulting in the early delisting of over 400 structured products, linked to the sanctioned entities and indices with those entities as constituents.
70. After consultation with the SFC, in order to facilitate an orderly unwinding by investors prior to trading suspension, the Exchange provided waivers to allow SP Issuers to put in place a two week buyback arrangement with a one-sided bid price before trading suspension. Where investors have not traded out of their position, they received a fair value cash amount upon delisting of the products.

<sup>26</sup> 31 of these were subject to the Revised Delisting Regime.

<sup>27</sup> 32 of these were subject to the Revised Delisting Regime.



71. Further structured products may be affected as a result of the publication of guidance materials by US authorities from time to time. The Exchange currently has over 14,000 listed structured products and it is expected that other non-US issuers may step up their issuance to fill in any “gaps” from the recent delisting. Of the three affected issuers, one has resumed issuance of structured products linked to sanctioned underlyings since October 2021 after considering further information provided by the US authorities.

### Listing of GSS Bonds

72. In April 2021 HKEX launched its annual “Go Green with HKEX” campaign which highlighted the Exchange as a platform for the listing of GSS Bonds (including green bonds and transition bonds). In the first four months of 2021 alone, there were 30 GSS Bonds listed on the Exchange, raising a record-breaking amount of about HK\$92.5 billion. In 2021, there were 95 GSS Bonds listed on the Exchange, raising over HK\$280 billion, compared with 18 GSS Bonds listings raising HK\$67 billion in 2020.
73. Notable issuers this year include the HKSAR Government, the Malaysian Government (through a wholly-owned SPV), Bank of China Limited and China Construction Bank Corporation. Currently, all of these GSS Bonds are listed under Chapter 37 of the Listing Rules and are offered to professional investors only. As the Listing Rules have no specific requirements for GSS Bonds, the same Rules apply to GSS Bonds as all other bonds.

### New Memorandum of Understanding Signed with Financial Reporting Council

74. On 8 June 2021, the Exchange and the Financial Reporting Council (**FRC**) signed a new Memorandum of Understanding (MoU) to further strengthen collaboration between the two organisations and to ensure the quality of financial reporting by listed entities and their auditors.
75. The new MoU replaces the one signed in 2007, facilitating our efficient and effective collaboration with the FRC, under the Financial Reporting Council Ordinance’s regulation of public interest entity auditors and the compliance by listed entities with regulatory requirements in financial reporting. Key modes of collaboration include liaison, coordination and cooperation in cases of mutual interest, mutual referral of complaints and cases, exchange and use of information and mutual assistance.

### Enhancement of Simultaneous Interpretation Capabilities

76. To further enhance the smooth operation of the Committee, in 2021 we upgraded our audio-visual capabilities for Committee hearings. These improve the smoothness and clarity of simultaneous interpretation into up to three languages (English, Cantonese, Mandarin and other languages as required).

### Enhancement of e-Submission System

77. On 2 October 2021, the e-Submission System (**ESS**) yearly enhancement was rolled out. This included: new features for the submission and publication of Documents of Display; batch submission of structured product announcements; the inclusion of a “case no.” field in the submission template; and an auto-fill of debt securities’ stock codes for listed equity issuers.
78. The continuous enhancement of ESS ensures that the dissemination of listed issuer documents is completed in an effective and efficient manner. Latest versions of user manuals, FAQs and training videos are available on the HKEX website.

## Reviews of Listing Committee Decisions

79. Following publication of the Consultation Conclusions on Review Structure in relation to Listing Committee Decisions in January 2019, the Listing Review Committee (**LRC**) was established on 5 July 2019. The LRC is an independent review committee consisting entirely of outside market participants with no current Listing Committee members or representatives of the SFC or HKEX. It serves to provide an independent avenue for appeals to enhance governance within the Exchange's structure for reviewing the Listing Committee's decisions. All review hearings before the LRC are heard de novo with the LRC rehearing the relevant case and deciding it afresh after considering all evidence and arguments made at earlier hearings, having regard to the earlier decision of the Listing Committee and considering additional information/evidence adduced in accordance with LRC procedures.
80. In 2021, the LRC considered a total of 37 reviews. Please refer to the section headed "Review Meetings" below on pages 30 and 31 for the distribution and outcome of these cases.
81. Most of the LRC review applications were in respect of decisions to suspend listings or cancel them following the issuer's failure to satisfy the Exchange's resumption guidance before the expiry of a prescribed remedial period. The number of cancellation decisions made by the Listing Committee has increased due to the Revised Delisting Regime, which has, in turn, prompted an increase in the number of LRC review applications by issuers.
82. All 14 review applications for decisions to cancel listings heard by the LRC were upheld. This was mostly because review applicants were unable to demonstrate that their situation fell within the exceptional circumstances of our guidance on long suspension and delisting<sup>28</sup>, so as to warrant the granting of an extension of time to the remedial period.
83. In 2021, the LRC also, for the first time, considered review cases relating to disciplinary decisions. A total of eight such reviews were heard in the year by the LRC resulting in it upholding the decisions of the Listing Committee for four cases, upholding the decisions of the Listing Committee but varying the disciplinary sanctions imposed for three cases, and overturning one Listing Committee decision.

## Judicial Reviews

84. Following the establishment of the LRC in July 2019, the introduction of the Revised Delisting Regime in August 2018, and the revised test for sufficient level of assets and operations under Main Board Rule 13.24 and GEM Rule 17.26 introduced in October 2019, there has been a brief upsurge of judicial reviews threatened and/or brought by issuers with respect to listing related decisions and in particular LRC decisions.
85. In the course of 2021, the Exchange has overseen six cases where issuers subject to adverse decisions have pursued judicial review proceedings. Five of these six cases were dismissed by the High Court. One case was discontinued by the applicant. The only judicial review proceedings currently being handled by the Exchange concerns an appeal of the dismissal of one of the above-mentioned five cases.

28 Guidance Letter [HKEX-GL95-18](#), paragraph 19.

86. In the judgments to date by which the judicial review proceedings were dismissed, the Court has set out clear endorsements of the approach adopted by the Exchange in each case, reflecting the diligence of the work of the Committees and the robustness and integrity of the decision-making process the Exchange has in place. The judgments have also set up a significant body of bespoke jurisprudence, which will likely result in there being fewer judicial review court challenges on such matters going forward.





# Regular Business

## Listing Applications

87. Statistics in relation to listing applications handled by the Listing Committee are set out in the tables below.

<b>Meetings at which IPO applications were considered</b>	<b>2021</b>	<b>2020</b>
Meetings Within the Regular Schedule	<b>42</b>	39
Specially Convened Meetings	<b>8</b>	5

<b>Listing Applications considered by the Listing Committee</b>	<b>2021</b>	<b>2020</b>
Applications Considered (Note 1)	<b>119</b>	151
Applications Approved (Note 2)	<b>118</b>	148
Applications Rejected	<b>1</b>	1
Decisions Deferred Pending Further Information	<b>0</b>	2

<b>Listing Applications approved and/or listed by the Listing Committee</b>	<b>2021</b>	<b>2020</b>
Applications Approved and Listed in the Year	<b>85</b>	129
Applications Approved in Previous Year and Listed in the Year	<b>37</b>	21
Applications Listed in the Year	<b>122</b>	150

Notes:

1. 2021 includes no (2020: one) RTO treated as a new listing application.
2. 2021 includes all applications approved at the first hearing. 2020 includes two applications approved at the second hearing. Any case that was considered by the Committee more than once in the same year is counted as one case only.

## Cancellation of Listing

88. Statistics in relation to delisting matters considered at the Listing Committee's regular meetings are set out below:

Nature of decision (Note 1)	Number of cases	
	2021	2020
<b>Main Board</b>		
Cancellation of listing (Note 1)		
– Under the previous regime (Note 2)	4	7
– After expiry of prescribed remedial period under the new regime (Note 3)	11	20
Resumption of trading	26	12
<b>GEM</b>		
Cancellation of listing (Note 4)		
– Under the previous regime (Note 2)	1	–
– After expiry of prescribed remedial period under the new regime (Note 3)	11	9
Resumption of trading	6	3

Notes:

1. As at 31 December 2021, 3 of the 15 cancellation decisions made in 2021 were still subject to the review procedures under the Rules.
2. This refers to cancellation of listing of (i) Main Board issuers under Practice Note 17 or Main Board Rule 6.10 and (ii) GEM issuers under GEM Rule 9.15.
3. This refers to cancellations pursuant to the fixed period delisting criteria of 18 months for Main Board issuers and of 12 months for GEM issuers implemented in accordance with the Revised Delisting Regime (see paragraph 63).
4. As at 31 December 2021, 1 of the 12 cancellation decisions made in 2021 was still subject to the review procedures under the Listing Rules.

## Other Matters

89. An analysis of other matters considered at regular meetings during the year is set out below:

Nature of decision/advice sought	Number of cases	
	2021	2020
<b>Listing Application Requirements</b>		
– Requests for pre-application guidance from potential IPO applicants (Note 1)	19	9
<b>Ongoing Obligations</b>		
– Approval of voluntary withdrawal of listing (Note 2)	41	35
– Consideration of spin off proposal	38	38
– Guidance on whether a listed issuer had sufficient operations or assets to warrant continued listing under Main Board Rule 13.24 and GEM Rule 17.26	20	12
– Approval of an issuer of structured products	1	–
– Extension of deadline in connection with a resumption proposal	–	2
– Guidance on resumption proposal	–	1
– Waiver application from strict compliance	2	–
– Guidance on proposed acquisition	1	–

Notes:

- 2021 includes no (2020: one) case considered twice.
- 2021 includes withdrawal of listing of 34 ETFs (2020: nil) investment products and offshore preference shares of 4 (2020: nil) issuers.



# Service Standards

## Listing Applications

- 90. In 2021, the number of applications vetted by the Division was 14% higher than the number of applications vetted in 2020.
- 91. In 2021, the Exchange received 93% more listing applications under the chapters of the Listing Rules introduced in 2018 (Chapters 8A, 18A and 19C) from applicants operating in emerging and innovative sectors. In particular, the Exchange saw a 124% increase in the number of listing applications from Biotech Companies under Chapter 18A as compared to 2020. The vetting process is, on average, longer for such applications, due to their nature and complexity.
- 92. In addition to listing applications, the Division has been concurrently handling an increased number of pre-IPO enquiries, which was 15% higher than the number of pre-IPO enquiries handled in 2020.
- 93. The statistics on guidance provided at pre-IPO stage are summarised below:

Action	Number of written response issued	Average number of business days taken between the date of request for guidance and the date of issue of written response
Response to the request for guidance from listing applicants or their advisers seeking clarifications of listing matters	209	14

- 94. The relevant statistics on vetting of IPO applications are summarised in the following tables:

Action	Number of comment letters issued	Average number of business days taken from date of case acceptance
Issuance of first round of comments	272	18

Action	Number of cases	Average number of business days taken from date of case acceptance
IPO cases presented to the Listing Committee for consideration	119	111

## Monitoring and guidance actions

95. The following table summarises the Exchange’s service standards for monitoring and guidance actions. It is the Exchange’s objective to continue improving the transparency, quality, efficiency and predictability of its service.

Service for Initial Responses	Service standard	% of cases meeting service standard	
		2021	2020
Pre-vetting activities			
– Initial response to pre-vetted announcements	Same day	94%	98%
– Initial response to pre-vetted circulars (very substantial acquisition)	10 business days	100%	100%
– Initial response to pre-vetted circulars (other than very substantial acquisition)	5 business days	92%	95%
Issuers’ enquiries (Note 1)			
– Initial response to issuer’s enquiries	5 business days	94%	94%
Waiver applications (Note 2)			
– Initial response to waiver applications (other than application for delay in despatch of circular)	5 business days	93%	95%
Post-vetting activities			
– Initial response to post-vetted result announcements	3 business days	100%	97%
– Initial response to post-vetted announcements (other than results announcements)	1 business day	99%	99%

Notes:

1. In 2021, 405 written enquiries (2020: 403) on Rule interpretations and related matters were handled.
2. In 2021, 477 waiver applications (2020: 519) from strict compliance with requirements under the Rules were processed.

# Disciplinary Matters

## General Approach

96. The Exchange has a statutory duty to ensure, as far as reasonably practicable, an orderly, informed and fair market for the trading of listed securities.
97. The Enforcement Policy Statement sets out the Exchange's approach in relation to enforcing the Rules. This includes four fundamental objectives, which are to:
  - (a) deter future breaches;
  - (b) educate the market;
  - (c) influence compliance culture and attitude; and
  - (d) enhance corporate governance.
98. The Division is responsible for the Exchange's enforcement of the Rules.

## Enforcement Investigations

99. Each year, the Division investigates conduct which may give rise to breaches of the Rules. The Division receives referrals from various sources including:
  - (a) other regulatory or law enforcement agencies;
  - (b) complaints from the general public; and
  - (c) internal referrals as a result of compliance monitoring.
100. In pursuing any potential breach of the Rules and deciding the level of regulatory action, the Division takes into account the non-exhaustive factors set out in the Enforcement Policy Statement and the Enforcement Sanctions Statement.
101. In circumstances where the Division commences an investigation, the conduct and potential breach of the Rules will normally appear to be of a nature sufficiently serious to warrant the imposition of a public sanction by the Listing Committee.
102. Regulatory letters (such as warning letters) may be issued in circumstances where disciplinary proceedings before the Listing Committee are not considered appropriate. These will be recorded as part of the compliance history for the relevant party.
103. During 2021:
  - (a) The Division commenced 56 new investigations (not including the active investigations continued from 2020). This compares with 68 new investigations commenced in 2020.
  - (b) The Division finalised 48 investigations. The average time for completion of an investigation was 10.5 months. This compares with 8.7 months in 2020.

## Enforcement Priorities

104. In 2021, the Division announced its latest enforcement priorities:
- (a) responsibility;
  - (b) controls and culture; and
  - (c) cooperation.
105. These priorities, which replace the enforcement themes that were in place since 2017, describe the areas in which the Exchange is targeting its enforcement resources.

## Disciplinary Action

106. Following an investigation and where disciplinary action is appropriate, the Committee will follow the Disciplinary Procedures which are published on the HKEX website.
107. In 2021:
- (a) The Division commenced 28 disciplinary actions (as compared with 20 in 2020).
  - (b) Sanctions were published in respect of 35 concluded disciplinary actions (as compared with 13 in 2020).
108. As at 31 December 2021, there were 17 ongoing disciplinary cases (some under review) awaiting final outcome (as compared with 25 as at 31 December 2020).

## Sanctions

109. Following any disciplinary action, the Committee has the power to impose certain sanctions on relevant parties. During 2021, the Division obtained public sanctions in 35 of the 36 concluded disciplinary cases that were dealt with by the Committee.
110. The collective and individual responsibility of directors continues to be a cornerstone of the current enforcement regime. Directors must provide a personal undertaking to procure Rule compliance by listed issuers. All directors, whether executive or non-executive, must discharge their duties, and take proactive steps to confirm that the issuer operates within an environment and risk management and internal control framework to ensure compliance with the Listing Rules. The table below shows the Division's actions taken against directors in 2021. 57 out of the 185 sanctions imposed were "prejudice statements" whereby, in addition to a public censure, the Committee made a statement of opinion that the retention of office by that director is/would have been prejudicial to the interests of investors (as compared with eight prejudice statements imposed against directors in 2020 and five prejudice statements imposed against directors in 2019).

Number of directors subject to sanctions	2021	2020	2019
Executive directors	100	30	31
Non-executive directors	16	9	12
Independent non-executive directors	69	20	20
Total	185	59	63



111. In addition to issuing sanctions for breaches of the Rules, the Division obtained a number of directions requiring listed issuers and directors to take proactive remedial action to rectify breaches, and improve internal controls and overall corporate governance. Such directions included training requirements and the appointment of external experts to assist with control deficiencies and to provide compliance advice on an ongoing basis. The following table provides an overview of the number of cases in which various directions were obtained by the Division in 2021:

Number of cases involving	2021	2020	2019
“Internal Control Review” direction	6	2	2
“Retention of Compliance Adviser” direction	2	1	3
“Training of Directors” direction	21	5	9

112. As mentioned in paragraphs 19 to 23 above, the Exchange concluded its consultation on disciplinary powers and sanctions in 2021. The Rule changes described in the consultation conclusions came into effect on 3 July 2021.

## Settlement and Cooperation

113. Investigations and disciplinary actions can be disposed of by settlement as approved by the Committee. The Committee continues to welcome the efforts made by market users and the Division to bring about the settlement and agreed disposal of investigations and disciplinary matters in an appropriate manner, provided that the terms of the settlement must represent a fair overall regulatory outcome and achieve the Exchange’s regulatory objectives. Further details regarding settlement can be found in the Statement on [Settlement of Disciplinary Matters](#) published on the Exchange’s website.
114. The Division wishes to remind directors that there is a positive obligation on them to interact promptly and openly with the Division during the course of all interactions with it. Pursuant to the terms of their undertaking to the Exchange, directors of listed issuers are required to cooperate with the Division to facilitate the performance of its regulatory function. Failure to do so is unacceptable and will likely lead to the imposition of a severe public sanction. Such sanctions will be recorded by the Division and will be taken into account when determining that director’s suitability to continue to act as director of the relevant listed issuer, or as new director of a listing applicant or another listed issuer.

## Interaction With Other Regulators

115. The Division refers the conduct of listed issuers and their directors that may give rise to suspected breaches of the law to the SFC and other law enforcement agencies (e.g. the Independent Commission Against Corruption and the Commercial Crime Bureau of the Hong Kong Police) as appropriate. It provides assistance by providing documents or information and witness statements (covering, amongst other things, technical advice on the application of the Rules), to support prosecution proceedings.
116. During 2021, the Division provided continuing support to the SFC and other law enforcement agencies by dealing with 63 requests for documents or information and providing four witness statements (as compared with 67 requests and six witness statements in 2020).

## Enforcement News

117. The Division continues to publish [Enforcement Bulletins](#) relating to enforcement activity and specific focus areas which it considers to be of public interest.

## Review Meetings

118. During the year: (a) the Listing Review Committee heard 37 (2020: 27) requests for review; (b) the Listing Committee considered 16 (2020: 19) requests for review of decisions made by the Division and one (2020: eight) request for review of decisions made by the Listing Committee; and (c) the Listing Appeals Committee considered four (2020: three) requests for review. Details of the reviews heard are set out in the table below.

Appeal Committee	Decision made by	Nature of decision	Number of cases	Outcome as at 31 December 2021
Listing Review Committee	Listing Committee	Cancellation of listing	14	Upheld: 14
		Failure to comply with Main Board Rule 13.24/GEM Rule 17.26 and suspension of trading	14	Upheld: 12 Overturned: 1 Remitted to LC: 1
		Reverse takeovers	1	Remitted to LC: 1
		Disciplinary sanctions	8	Upheld (without changes): 4 Upheld (with variation to sanctions): 3 Overturned: 1
Listing Committee	Listing Division	Failure to comply with Main Board Rule 13.24/GEM Rule 17.26 and suspension of trading	12	Upheld: 12
		Rule 2B.15 application	1	Rejected: 1
		Reverse takeover under Main Board Rule 14.06B	2	Upheld: 2
		Rejection of application for waiver from compliance with Main Board Rule 14.58(2)	1	Upheld: 1

## Under the old review regime:

Appeal Committee	Decision made by	Nature of decision	Number of cases	Outcome as at 31 December 2021
Listing Appeals Committee	Listing (Review) Committee	Cancellation of listing	3	Upheld: 1 Overturned: 1 Yet to be decided: 1
	Listing (Disciplinary Review) Committee	Disciplinary sanctions	1	Upheld: 1
Listing (Review) Committee	Listing Committee	Cancellation of listing under PN17 of the Main Board Rules	1	Upheld: 1

119. In addition as at 31 December 2021, there were 10 cases under review which had not yet been heard as follows:

Appeal Committee	Decision made by	Nature of decision	Number of cases
Listing Committee	Listing Division	Failure to comply with Main Board Rule 13.24/GEM Rule 17.26 and suspension of trading	4
		Direction on resumption of trading under Main Board Rule 6.07 <sup>29</sup>	1
Listing Review Committee	Listing Committee	Cancellation of listing	3
		Failure to comply with Main Board Rule 13.24/GEM Rule 17.26 and suspension of trading	1
		Disciplinary sanctions	1

<sup>29</sup> This case was subsequently vacated in January 2022 due to the issuer's withdrawal of its application for review.

# Policy Agenda for 2022 and Beyond

120. Highlighted below are those matters the Exchange currently plans to consider during 2022 and beyond:

## Prospectus and listing process

- Review of IPO Eligibility Requirements
- Review of GEM
- Consultation Paper on Optimisation of the IPO Price Discovery Process and Market Infrastructure
- Rule Amendments to Implement Changes to Hong Kong's IPO Settlement Process
- Consequential Rule Amendments to Facilitate the SFC's Code of Conduct on Bookbuilding and Placing Activities in Equity Capital Market and Debt Capital Market Transactions and Sponsor Coupling
- Review of Weighted Voting Rights Suitability

## Structured Products

- Review of Listing Rules (Chapter 15A) for Structured Products

## Ongoing obligations and other related matters

- Consultation Conclusions on Share Schemes of Listed Issuers
- Consultation Paper on Review of the ESG Reporting Guide
- Consultation Paper on Further Paperless Listing Reforms
- An eXtensible Business Reporting Language (XBRL) for Hong Kong



# Appendix 1

## Composition, Role and Operations of Listing Committee

### Members as at 31 December 2021

#### Chairman

BRIEN Peter Wilhelm Hubert

#### Deputy Chairmen

BHATIA Renu

KEYES Terence Francois

POGSON Timothy Keith

#### Ex officio member

AGUZIN Alejandro Nicolas

#### Other members (in alphabetical order)

CHAN Jeanette

CHAN Kok Chung, Johnny

CHAN Wai Yan, Ronald

CHAN Yuen Shan, Clara

CHENG Kin-Lung, David

CHIU Michael

CHUA Rebecca

CLARK Stephen John

DEMOPOULOS Frederick

EMSLEY Matthew Calvert

LAU Pak Wai, David

LAU Paul

LEUNG Pauline

LI Chun, Elsy

LI Lin, Lincoln

LLOYD Victoria Sally Tina

NIXON Charles George Rupert

PU Hai Tao, Richard

SOON Y S Elizabeth

VAN RIJN Arnout

WOLHARDT Julian Juul

WONG John William Pei-Keat

WONG Yu Tsang, Alex

## Composition of Listing Committee

1. The Listing Committee consists of 28 members (or such greater number that the board of the Exchange shall agree) as follows:
  - (a) At least eight individuals whom the Listing Nominating Committee (**LNC**) considers will represent the interests of investors;
  - (b) 19 individuals whom the LNC considers will represent a suitable balance of representatives of listed issuers and market practitioners, including lawyers, accountants, corporate finance advisers, and Exchange Participants or officers of Exchange Participants; and
  - (c) The Chief Executive of HKEX as an ex-officio non-voting member<sup>30</sup>.
2. The Listing Committee has no staff and no budget. A fixed annual fee of HK\$150,000 is offered for regular Committee members, HK\$187,500 for the Deputy Chairmen and HK\$225,000 for the Chairman on account of their contribution to the Listing Committee.

## Role of Listing Committee

3. The Listing Committee acts both as an independent administrative decision maker and an advisory body for the Exchange. It has four principal functions:
  - (a) To oversee the Division (to the extent practicable given the Committee's mode of operation).
  - (b) To provide policy advice to the Division on listing matters and to approve amendments to the Main Board Rules and GEM Rules.
  - (c) To take decisions of material significance for listing applicants, listed issuers and the individuals concerned. These include approvals of listing applications and cancellations of listing and disciplinary matters.
  - (d) To act as a review body for decisions made by the Division<sup>31</sup>.
4. The Listing Liaison Forum (**LLF**) provides a monthly forum for operational matters to be raised by the Chairman and Deputy Chairmen with the Chief Executive and the Head of Listing (and vice versa). This is part of the oversight of the Division by the Listing Committee. The LLF is not a forum for discussing substantive policy matters. In addition, on a semi-annual basis, the Committee's Chairman and three Deputy Chairmen and Head of Listing attend a meeting of the HKEX Board to communicate with the HKEX Board on the operation of the Division and the Listing Committee.

<sup>30</sup> The Chief Executive of HKEX attends Listing Committee meetings as a non-voting member representing the HKEX's board only where listing policy matters are discussed, and does not attend Listing Committee meetings on individual cases.

<sup>31</sup> The Listing Committee ceased to act as a review body for its own decisions following the establishment of the Listing Review Committee on 5 July 2019.

5. The Listing Policy Panel (**LPP**) has been established as an advisory, consultative and steering body outside the SFC and the Exchange to centralise discussion of listing policies with broader regulatory or market implications. The LPP comprises the Chairman and Deputy Chairmen of the Listing Committee, as well as representatives from HKEX, the SFC and the Takeovers Panel. The Chairman and Deputy Chairmen of the Listing Committee represent the views of the Listing Committee (including any differing views among the Listing Committee members) at LPP meetings.
6. A more detailed description of the role and mode of operation of the Listing Committee and its approach to handling conflicts of interest is set out on the HKEX website.

## Operations of the Listing Committee

7. One of the principal items of business of the Listing Committee's regular meetings is considering whether or not to approve new listing applications for the Main Board and GEM. The Division may reject a Main Board listing application, but the power to approve such listing applications rests with the Listing Committee. Listing applications are considered on the basis of reports from the Division, which include a recommendation on whether or not to approve the application. In respect of each application considered by the Committee, it may approve the application, with or without the imposition of conditions, reject the application or defer a decision pending the submission of further information.
8. The power to approve the cancellation of listing of securities (**delisting**) rests with the Listing Committee. Main Board issuers may be delisted immediately or delisted if they fail to remedy issues and resume trading before the end of the remedial period specified in the delisting notice. They may also be delisted under Main Board Rule 6.01A. GEM Rules 9.14 to 9.18 deal with the delisting of GEM listed issuers.
9. The Listing Committee's approval is required to cancel the listing of a Main Board or GEM issuer. The Listing Committee's decision to delist a Main Board or GEM issuer may be subject to review by the Listing Review Committee.
10. At each regular meeting, the Division provides the Listing Committee with information on listed issuers whose shares have been suspended from trading since the last regular meeting of the Listing Committee. Each month, the Listing Committee receives an information paper on listed issuers whose shares have been suspended for a prolonged period. This forms the basis for a monthly update that is published on the HKEX website in respect of long suspended listed issuers.
11. Policy matters are generally dealt with at policy meetings of the Listing Committee as this helps to ensure broad participation from the Listing Committee membership. The Listing Committee aims to hold policy meetings on a quarterly basis. Nonetheless it is sometimes necessary for matters to be considered at regular meetings of the Committee. These items are normally in the nature of reporting back on minor revisions to policy previously agreed at quarterly policy meetings or amendments to the Rules which have previously been approved at quarterly policy meetings that are minor in nature but which, nonetheless, require the Listing Committee's approval.

12. Disciplinary matters are generally dealt with at specially convened meetings of the Listing Committee. For contested disciplinary actions, written representations are central to the process. A typical case will involve one round of written submissions from the Division and from those alleged to have breached the Rules (the listed issuer and/or its directors), with the Chairman having flexibility to allow additional submissions where it is considered appropriate. At the hearing, the Division and those against whom action is being brought are permitted to make oral representations to supplement their written submissions and Listing Committee members may ask questions of any party or its legal representative present at the meeting. The parties may thereafter make closing submissions.
  
13. For agreed disposals of disciplinary matters, a settlement proposal as agreed between the Division and the relevant parties is tabled before the Listing Committee at a meeting for the Committee to consider and, where appropriate, to endorse. All settlements are subject to the Committee's approval. All parties to a disciplinary action are invited to appear before the Committee to address any concerns which the Committee may have in respect of the settlement proposal, and the Committee may also ask questions of the parties present regarding the proposed settlement.



## Appendix 2

# Policy Development

### Policy Development Meetings

Policy matters are generally dealt with at policy meetings of the Listing Committee as this helps to ensure broad participation from the Listing Committee membership. The Listing Committee aims to hold policy meetings on a quarterly basis. Nonetheless it is sometimes necessary for issues to be considered at regular meetings of the Committee. These items are normally in the nature of reporting back on minor revisions to policy previously agreed at quarterly policy meetings or amendments to the Listing Rules which had previously been approved at quarterly policy meetings that were minor in nature but which, nonetheless, required the Listing Committee's approval. Policy matters were considered at 14 meetings during the year.

### Matters Considered During the Year

The table below summarises the policy matters considered at the Listing Committee's policy and regular meetings during the year.

Date	Items
21st January 2021 Regular meeting	<ul style="list-style-type: none"> <li>Information paper on review of issuers' annual reports</li> </ul>
28th January 2021 Regular meeting	<ul style="list-style-type: none"> <li>Amendments to Guidance Letter HKEX-GL107-20 relating to disclosure in listing documents for Biotech Companies</li> </ul>
5th February 2021 Regular meeting	<ul style="list-style-type: none"> <li>Listing Committee Report 2020</li> </ul>
25th February 2021 Regular meeting	<ul style="list-style-type: none"> <li>Companies Incorporated in Malaysia</li> </ul>
1st March 2021 Policy Meeting	<ul style="list-style-type: none"> <li>Update on Regulatory Development</li> <li>Update on Consultation on the Main Board Profit Requirement</li> <li>Update on Concept Paper on Hong Kong's IPO Settlement Process (Project FINI)</li> <li>Consultation Paper on Review of Listing Regime for Overseas Issuers</li> <li>Update on handling of long suspended companies and discussion on proposed policy concerning LRC's consideration of new information</li> <li>Paper on Review of Framework for Assessing Rule 13.24 Compliance</li> <li>Consultation Conclusions on Review of Disciplinary Powers and Sanctions</li> <li>Themes for Review of Issuers' Annual Report Disclosure Programme 2021</li> <li>Draft Consultation Paper on Proposed Amendments to Listing Rules relating to Share Schemes of Listed Issuers</li> <li>Consultation Paper on Review of Corporate Governance Code and Environmental, Social and Governance Update</li> <li>Periodic Update on Listing Committee's Oversight of Listing Division</li> </ul>

Date	Items
18th March 2021 Regular meeting	<ul style="list-style-type: none"> <li>- Review of the Main Board Profit Requirement</li> </ul>
25th March 2021 Regular meeting	<ul style="list-style-type: none"> <li>- Proposed Amended and Restated Memorandum of Understanding with the Financial Reporting Council</li> </ul>
31st March 2021 Regular meeting	<ul style="list-style-type: none"> <li>- Report back on the draft Consultation Conclusions on Review of Disciplinary Powers and Sanctions</li> </ul>
7th June 2021 Policy meeting	<ul style="list-style-type: none"> <li>- Update on Regulatory Development</li> <li>- Responses to Review of Listing Regime for Overseas Issuers</li> <li>- Update on SPACs</li> <li>- GEM Review</li> <li>- Responses to Consultation on Review of CG Code</li> <li>- Periodic Update on Listing Committee’s Oversight of Listing Division</li> <li>- Proposed Amendments to the Listing Rules relating to spin-offs</li> <li>- Proposed revision of Guidance Letter on sufficiency of operations</li> <li>- Review of Enforcement Policy Statement, Sanctions Statement, and Enforcement Themes</li> <li>- Paperless Listing Regime II – to promote electronic submission by or on behalf of listing applicants and listed issuers</li> <li>- Technology Projects in Listing: Gekko Presentation</li> </ul>
2nd September 2021 Regular meeting	<ul style="list-style-type: none"> <li>- Consultation Paper on Special Purpose Acquisition Companies</li> </ul>
21st September 2021 Policy meeting	<ul style="list-style-type: none"> <li>- Update on Regulatory Development</li> <li>- GEM Review</li> <li>- CG consultation update and CG ESG review</li> <li>- Consultation Conclusions on Review of Listing Regime for Overseas Issuers</li> <li>- Update on SFC’s Consultation Conclusions on proposed Code of Conduct on (i) Bookbuilding and Placing Activities in Equity Capital Market and Debt Capital Market Transactions; and (ii) the “Sponsor Coupling” Proposal</li> <li>- Consultation Paper on Proposed Amendments to Listing Rules relating to Share Schemes of Listed Issuers</li> <li>- Thematic Review of Recently Listed Issuers</li> <li>- Review of Material Lending Transactions by Listed Issuers – Interim Paper</li> <li>- Periodic Update on Listing Committee’s Oversight of Listing Division</li> <li>- Structured Products – Assessment of Issuer Eligibility Applications</li> </ul>
15th October 2021 Regular meeting	<ul style="list-style-type: none"> <li>- Report Back on Draft Consultation Paper on Proposed Amendments to Listing Rules relating to Share Schemes of Listed Issuers</li> </ul>
21st October 2021 Regular meeting	<ul style="list-style-type: none"> <li>- Draft Consultation Conclusions on Review of Corporate Governance Code &amp; Related Listing Rules, and Housekeeping Rule Amendments</li> </ul>
9th December 2021 Regular meeting	<ul style="list-style-type: none"> <li>- Consultation Conclusions on Special Purpose Acquisition Companies</li> </ul>

## Appendix 3

# Meeting Statistics

The following Listing Committee meetings were held during the period covered by this report and the preceding period:

Nature of meeting	Number of meetings		Average number of members in attendance	
	2021	2020	2021	2020
Regular Meetings:				
– With regular business only	45	37	19.7	17.2
– With policy items	11	10	21	18.2
<b>Total</b>	<b>56</b>	<b>47</b>	<b>19.9</b>	<b>17.4</b>
Review Meetings (including Listing Committee reviews under old review regime)	17	27	5.9	6.0
Disciplinary Meetings	29	24	6.2	6.7
Quarterly and ad hoc policy meetings	3	3	26.0	26.0
<b>Total</b>	<b>106</b>	<b>101</b>		

Note: Decisions made by the Listing Committee on or after 6 July 2019 are now subject to review by the Listing Review Committee (subject to the transitional arrangements).

Details of members' attendance at meetings are set out in Appendix 4.

## Appendix 4

### Attendance at Meetings

The following table shows Listing Committee members' attendance at meetings. Members' contributions this year also included participating on five sub-committees for particular policy matters and officiating at listing ceremonies.

Members	Nature of Meeting (Note 2)								
	Regular		Policy		Disciplinary		Review		Sub-committees
	Attended/ Pooled	%	Attended/ Eligible	%	Attended/ Eligible	%	Attended/ Eligible	%	No. of memberships / No. of sub-coms
<b>In office (Note 1)</b>									
Mr Peter Brien	54/56	96%	3/3	100%	9/12	75%	2/3	67%	2/5
Mr Keith Pogson	55/56	98%	3/3	100%	8/8	100%	4/4	100%	2/5
Ms Renu Bhatia	50/43	116%	3/3	100%	7/14	50%	5/9	56%	4/5
Mr Terence Keyes	50/44	114%	2/3	67%	10/13	77%	4/6	67%	2/5
Mr Alejandro Nicolas Aguzin (Note 3)	N/A	N/A	2/2	100%	N/A	N/A	N/A	N/A	N/A
Mr Ronald Chan	28/31	90%	3/3	100%	7/15	47%	6/9	67%	2/5
Ms Clara Chan	31/33	94%	3/3	100%	14/23	61%	5/6	83%	1/5
Mr Arnout Van Rijn	37/31	119%	3/3	100%	5/18	28%	4/9	44%	1/5
Mr David Lau	40/31	129%	3/3	100%	7/21	33%	6/9	67%	0/5
Mr Julian Wolhardt	18/33	55%	1/3	33%	2/17	12%	3/9	33%	0/5
Mr Matthew Emsley	47/31	152%	3/3	100%	12/15	80%	5/5	100%	4/5
Mr Charles Nixon	47/31	152%	2/3	67%	0/21	0%	1/9	11%	1/5
Mr Richard Pu	39/33	118%	3/3	100%	0/21	0%	0/10	0%	2/5
Mr Alex Wong	28/33	85%	3/3	100%	2/15	13%	2/6	33%	0/5
Mr John Wong	24/32	75%	3/3	100%	1/19	5%	0/9	0%	0/5
Mr Frederick Demopoulos	43/33	130%	3/3	100%	10/11	91%	4/5	80%	3/5
Ms Elsy Li	36/31	116%	3/3	100%	14/17	82%	7/10	70%	2/5
Ms Victoria Lloyd	41/31	132%	2/3	67%	6/14	36%	3/5	60%	1/5
Ms Elizabeth Soon	39/33	118%	3/3	100%	0/21	0%	0/6	0%	1/5
Mr Johnny Chan	51/32	159%	3/3	100%	0/17	0%	2/3	67%	4/5
Mr Stephen Clark	45/32	141%	3/3	100%	18/18	100%	8/8	100%	3/5
Mr Paul Lau	54/31	174%	3/3	100%	5/11	45%	5/6	83%	2/5
Mr Lincoln Li	46/32	144%	3/3	100%	1/23	4%	2/10	20%	2/5



Members	Nature of Meeting (Note 2)								
	Regular		Policy		Disciplinary		Review		Sub-committees
	Attended/ Pooled	%	Attended/ Eligible	%	Attended/ Eligible	%	Attended/ Eligible	%	No. of memberships / No. of sub-coms
<b>Appointed this year (Note 4)</b>									
Ms Jeanette Chan	21/16	131%	1/1	100%	5/9	56%	3/4	75%	1/5
Mr Michael Chiu	26/17	153%	1/1	100%	10/10	100%	3/3	100%	2/5
Ms Rebecca Chua	26/16	163%	1/1	100%	2/7	29%	1/4	25%	0/5
Mr David Cheng	25/17	147%	1/1	100%	7/10	70%	3/3	100%	2/5
Ms Pauline Leung	24/16	150%	1/1	100%	5/5	100%	3/3	100%	0/5
<b>Retired this year (Note 5)</b>									
Ms Catherine Yien	27/28	96%	2/2	100%	5/5	100%	NA	NA	1/3
Mr Edmond Chan	25/16	156%	2/2	100%	6/6	100%	2/2	100%	1/3
Mr Paul Chau	14/16	88%	3/2	150%	5/9	56%	3/4	75%	0/3
Mr Dieter Yih	16/15	107%	2/2	100%	6/7	86%	4/6	67%	1/3
Ms Heidi Yang	12/16	75%	0/2	0%	0/8	0%	0/5	0%	0/3
Mr Calvin Tai (Note 3)	N/A	N/A	1/1	100%	NA	NA	NA	NA	N/A

Notes:

- Percentage attendance at regular meetings is calculated based on actual attendance and the number of meetings that the member was pooled for (i.e. scheduled to attend) during the year in accordance with a pooling schedule. The Chairman and Deputy Chairmen are pooled to attend all regular meetings. Other members are pooled to attend approximately half of the regularly scheduled meetings. In all cases the number of meetings that a member is pooled for will be reduced by one if:
  - A meeting that the member is pooled for is cancelled;
  - The member is conflicted on all substantive matters to be considered at a meeting that the member is pooled for; or
  - The member is unable to attend due to illness.
- Percentage attendance at review and disciplinary meetings is based on the number of meetings a member was eligible to attend having regard to potential conflicts of interest and whether the member had attended the meeting reaching the decision that was being reviewed. Members' unavailability due to other commitments on a scheduled date has not been taken into account in the table above. Unlike regular meetings that are scheduled on the same day and at the same time every week, review and disciplinary meetings are scheduled on an ad hoc basis. Therefore, conflicts with members' other commitments are more likely as it is not possible for members to block out a regular time in their diaries to attend these meetings. Also, some review and disciplinary meetings have to be scheduled on short notice due to their nature. The Chief Executive does not participate in review and disciplinary meetings.
- The HKEX Chief Executive attends Committee meetings as a non-voting member representing the HKEX's board only where listing policy matters are discussed, and does not attend Listing Committee meetings on individual cases.
- Members were appointed on 9 July 2021.
- Members retired on 9 July 2021.
- For policy meetings and regular meetings, attendance includes remote participation by telephone/video-conferencing.

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