

EXPOSURE PAPER

ABOLITION OF REQUIREMENT FOR
MAIN BOARD ISSUERS TO PUBLISH
PAID ANNOUNCEMENTS IN NEWSPAPERS
AND RELATED MATTERS

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Hong Kong Exchanges and Clearing Limited
香港交易及結算所有限公司

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PART A: INTRODUCTION

Background

1. Main Board issuers are currently required under the Main Board Listing Rules to publish announcements by way of a paid announcement in at least one English-language and one Chinese-language gazetted newspaper. Since May 2001, they have also been required to submit electronic copies of announcements for parallel publication on the Exchange's website. For issuers on the Growth Enterprise Market (GEM), however, publication on the GEM website has been the sole means of news dissemination (in addition to the publication on the issuer's own website) for the purposes of the GEM Listing Rules since the board was established in November 1999.
2. Pre-vetted announcements of Main Board issuers and summary versions of pre-vetted announcements of GEM issuers are also released in text format on the Exchange's AMS/3 terminals.
3. It is and has been the Exchange's intention to revise the current mechanisms for information dissemination by Main Board issuers and to align the Main Board practice with the GEM practice. In the longer term, this will result in the abolition of the requirement for issuers to publish paid announcements in newspapers. The Internet and other forms of electronic dissemination are already the accepted means for providing information to the market in Hong Kong, e.g. disclosure of interests under Part XV of the Securities and Futures Ordinance, trading data, etc. The accepted means of dissemination of information in other major international markets is through publication on websites (or through electronic dissemination). The abolition of the requirement for paid announcements in newspapers will also be a move towards the international practice.
4. On 20 April 2000, the Exchange issued a market consultation paper in which it was proposed to have all announcements of listed issuers published on the world wide web instead of in the newspapers. At the end of the consultation period, the Exchange had received 140 submissions from various parties, including listed issuers, market participants, institutional investors and retail investors in response to the consultation. There was a favourable response to the proposal.
5. Many of the respondents considered that there should be a central website where all announcements of listed issuers in Hong Kong could be located. The respondents also considered the proposal to be a more cost effective way of news dissemination in Hong Kong. A majority of the respondents considered the Exchange to be the appropriate body to administer the central website. Many expressed confidence that the Exchange would be able to ensure the integrity of the information provided. The main concerns with regard to the proposal were the convenience and accessibility of newspapers and that people without access to the Internet might be disadvantaged under the proposal.
6. Having considered the responses and concerns raised with regard to the proposal, and taking into consideration other relevant factors, such as the increased popularity of the Internet in Hong Kong and environmental protection, the Exchange set out in an announcement of 24 April 2001 the following revised proposal that the requirement under the Listing Rules for paid announcements be abolished and that Main Board listed issuers be required to:
 - (a) provide an electronic copy of any announcement required under the Listing Rules to be published by them in the newspapers to the Exchange for dissemination on the Exchange's website; and
 - (b) deliver a press release on the subject matter of any announcement required to be published on the Exchange's website, with a copy of the relevant announcement attached to the press release, to at least a majority of the publishers of English language newspapers and Chinese language newspapers published daily and circulating generally in Hong Kong.

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7. The Exchange stated that the full implementation of the revised proposal was expected to be by the second quarter of 2002.
 8. The Exchange also stated that, during the interim period, the Listing Rules would first be amended to require the submission of an electronic copy of announcements to the Exchange for publication on the Exchange's website. (This amendment was implemented in May 2001.) Main Board listed issuers would still be required to publish paid announcements in the newspapers until full implementation of the revised proposal, when there would be further changes to the Listing Rules to abolish the requirement for paid announcements in the newspapers.
 9. The Exchange recognises the need to effect an orderly transition from the current arrangements to the proposed eventual model of regulatory news dissemination without the paid advertisement requirement and has carefully considered a number of issues regarding the operational model. These include operational aspects such as implementing a website upgrade and enhancing the security features and user-friendliness of the Exchange's Electronic Submission System. These issues are discussed further in this paper.
 10. After further consideration, we are of the view that, as an interim measure to facilitate an orderly transition to a purely web-based news dissemination regime, Main Board issuers should be required to publish a short-form announcement in newspapers, instead of the full version of the announcement which will be posted on the Exchange's website and the issuer's own website. The proposal is subject to system and operational readiness and the necessary approvals for the Rule amendments.
 11. After re-consideration, the proposed requirement (referred to in paragraph 6(b)) for Main Board listed issuers to deliver a press release on the announcement to newspaper publishers in Hong Kong is no longer necessary within the scheme of the operational model now being proposed.
 12. The proposal should be beneficial to issuers. In fact, it should result in the lowering of the cost for a Main Board issuer of maintaining its listing on the Exchange. Furthermore, an issuer will retain the flexibility to publish announcements in the newspapers if it so wishes, in addition to publication of the announcements on the Exchange's website and the issuer's own website.
 13. We believe that the abolition of the requirement to publish paid announcements in newspapers and the introduction of other, news dissemination-related enhancements will benefit the market as a whole.

Public Exposure

14. The purpose of this document is to seek market views:
 - (a) on the detailed wording of the envisaged Listing Rule amendments with a view to removing ambiguities and providing clarity;
 - (b) on whether the short-form announcement which, as an interim measure, we propose to require Main Board issuers to publish in the newspapers, should be a summary announcement or a notification; and
 - (c) on the appropriate duration of the interim measure.

Comments

15. Any comments on this document should be sent to the Listing Division, Hong Kong Exchanges and Clearing Limited, 11th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong.
16. You may also submit your comments electronically by email to cvw@hkex.com.hk or by fax for the attention of Ms Anne Chapman (fax number: 2179 5982).
17. Comments should arrive no later than 13 January 2006.
18. The names of persons who submit comments on this document together with the whole or part of their submission may be disclosed to members of the public. Statements of the Exchange's policy on handling personal data are set out in Appendix A.

Next Steps

19. Comments received will be given due consideration. We will, where appropriate, make modifications to the text of the draft Rule amendments to improve clarity. Subject to the necessary final approvals, the Rule amendments will come into effect and our operational model will be implemented on a date to be announced.

PART B: PROPOSED OPERATIONAL MODEL

Operational Readiness

Exchange's website

20. The total abolition of paid announcements in the newspapers will result in the Exchange being the sole primary information provider of Hong Kong issuers' regulatory news. As such, the Exchange's responsibility towards the market will further increase. Corruption of the Exchange's website or significant downtime or a similar incident would potentially have serious consequences for the market and the Exchange. We have therefore sought to ensure that the Exchange's website will be robust and reliable so that it can discharge its role as the primary information provider of Hong Kong regulatory news.
21. As a result, the Exchange has undertaken a system upgrade, the HKEx Website Disaster Recovery Site project (HKEx Website DR), to provide for enhanced backup arrangements in the event of an incident disabling the primary HKEx website. This is in the form of a secondary web hosting site for use as a backup and to provide enhanced recovery in the event of a disruptive event. The HKEx Website DR project was completed and launched in September 2005.

HKEx-EPS

22. In addition, we are taking steps to enhance the Exchange's Electronic Submission System. This currently comprises two parts, namely submission of electronic copy documents for vetting by the Listing Division and submission of electronic copy documents to our Information Services Department (ISD) for publication on the Exchange's website and GEM website. We propose to rename the "for publication" part the "HKEx Electronic Publication System" (HKEx-EPS) to reflect more closely the nature of the system. This is discussed in detail in paragraphs 33 to 45.

Two-Phased Implementation

23. We propose to move towards our ultimate goal of total abolition of the requirement for Main Board issuers to publish announcements in the newspapers for the purposes of the Listing Rules in two phases.

Phase 1

24. We propose, in Phase 1, to require Main Board issuers to publish a short-form announcement in the newspapers instead of the full announcement for the purpose of meeting the relevant publication provisions under the Main Board Listing Rules. The requirement will apply to issuers' paid announcements currently required under the Main Board Listing Rules.

Summary Announcements vs. Notifications

25. As described in paragraph 31, we propose to replace full announcements in the newspapers with short-form announcements, as a transitional step towards total abolition of paid announcements in the newspapers for the purpose of the Main Board Listing Rules.
26. There are divergent views on the relevant content of the short-form announcement. Some views are that the impact of total abolition will be so great that investors and market practitioners should be provided with summary information in the form of summary announcements. They argue that more detailed information in the summary announcement will make the process of investors changing their habits to look at the Exchange's website for the full announcement easier. It would be up to the issuer to determine the contents of summary announcements and, in some cases, the issuer may choose to publish the full announcement in the newspaper. Others point out the legal risks associated with incomplete or misleading information and the risk that issuers might "cherry-pick" the information to be inserted in the summary and thereby distort the disclosure. They consider that notifications, rather than summaries, would make the transition to total abolition of paid announcements smoother. Summary announcements, they feel, may not have the desired effect of facilitating the change in the habits of investors and market practitioners as they may be content to rely on the summaries and not go to the Internet for information.

27. We seek market views on whether the short-form announcement which, as an interim measure, we propose to require Main Board issuers to publish in the newspapers, should be a summary announcement or a notification. The issue is whether it should be a summary of the contents of the full announcement or whether it should merely serve to notify investors of the publication of an announcement on the Exchange's website and issuer's website.
28. We summarise below certain views expressed on the advantages and disadvantages of summary announcements and notifications.

	Advantages	Disadvantages
Summary announcement	<ul style="list-style-type: none"> • Contains more information than a notification so this may help to ensure that the transition to total abolition of paid announcements is less abrupt 	<ul style="list-style-type: none"> • Risk of summary being incomplete or misleading • Some announcements are not easy to summarise, in which case the full announcement may need to be published • Investors may place total reliance on the summary announcement only
Notification	<ul style="list-style-type: none"> • Short, simple pro forma format • No risk of summary being incomplete or misleading • Encourages investors to refer to the full announcements 	<ul style="list-style-type: none"> • No meaningful information, may not always provide investors with sufficient information at first glance to decide whether to look at full announcement • Investors must refer to full announcement for meaningful information

29. We consider a period of approximately nine months to be sufficient to prepare the market for the transition to the total abolition of paid announcements in the newspapers as a means of news dissemination for the purpose of the Main Board Listing Rules.
30. We set out in Appendix B the proposed Listing Rule amendments for summary announcements and notifications. The relevant set of amendments is proposed to be implemented during the transitional period (i.e. Phase 1) prior to total abolition of paid announcements. We set out in Appendix C other proposed major Listing Rule amendments. Relatively minor changes, i.e. those of a consequential or miscellaneous nature, can be viewed on the Exchange's website at http://www.hkex.com.hk/consul/paper/minchange_e.pdf. A discussion of the general scheme of the Listing Rules amendments and the nature of the consequential and miscellaneous changes is set out in Appendix D.

Operational model

31. Our proposed operational model is summarised as follows:

- (a) The full announcement of a Main Board issuer (i.e. existing issuers and new listing applicants) will be published on the Exchange's website, as is currently the case.
- (b) Use of HKEx-EPS will be mandatory for submission of electronic copies of all documents (e.g. announcements and circulars) for publication on the Exchange's website and GEM website.
- (c) The Listing Rules require the publication of both the English and Chinese versions of documents. So as to enable simultaneous publication on the Exchange's website or GEM website, we propose to require electronic copies of the English and Chinese versions of all documents to be submitted simultaneously. However, due to their large size and less time-sensitive nature, we do not propose to require the English and Chinese versions of listing documents of new applicants and annual reports of listed issuers to be submitted simultaneously. They will need to be submitted one immediately after the other. Where the file size of the document to be submitted exceeds a preset limit as determined by the Exchange from time to time, each of the English and Chinese versions must be split into more than one file. In such cases, the issuer must at the same time also submit to the Exchange an index for the files in such format as the Exchange may from time to time prescribe. We currently envisage the index to be in the form of an MS Excel spreadsheet as is currently used, for example, to hyperlink electronic copies of prospectuses consisting of more than one file.
- (d) Issuers are currently required to submit electronic copies of documents by 9.00 p.m. for publication on the Exchange's website. The current 9.00 p.m. deadline will be extended to 11.00 p.m. for Main Board issuers. (Please see paragraph 50.)
- (e) So as to facilitate text-based searching on the Exchange's website and GEM website, electronic copies must be in a text-searchable format. The layout and contents of each page on an electronic copy submitted to us for publication on the Exchange's website or GEM website must be the same as the layout and contents of the corresponding page of the document as published by the issuer (whether in the newspapers, on its own website, sent to shareholders or otherwise).
- (f) Main Board issuers will be required to publish a short-form announcement in the newspapers. Publication in the newspapers must be on the business day next following submission of the electronic copy of the full announcement to the Exchange for publication. This is so that the full announcement will be on the Exchange's website by the time the short-form announcement is published in the newspapers. Issuers that are unable to meet this Rule requirement will in individual circumstances need to contact the Exchange at the earliest opportunity. The short-form announcement is to take the form either of a summary announcement or notification. Please see paragraphs 25 to 30. Irrespective of whether we adopt notifications or summary announcements, the announcement of preliminary results will only require a notification which must be published in the newspapers on the business day next following submission of the electronic copy of the relevant preliminary results announcement to the Exchange for publication. Such notification will not be published on the Exchange's website (just like notifications generally, if notifications rather than summary announcements are adopted (please see paragraphs 25 to 30), will not be published on the Exchange's website).

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- (g) The short-form announcement (if we adopt summary announcements rather than notifications — please see paragraphs 25 to 30) will also be published on the Exchange’s website immediately after the full announcement is published on the Exchange’s website. (Notifications, on the other hand, will not, if adopted, be published on the Exchange’s website.) However, the publication on the Exchange’s website of a summary announcement alone, without the full announcement, will not be accepted as a means of dissemination of information. The issuer must also publish the summary announcement on its own website. Such publication should be at the same time as, and in any event must be no later than one hour after, submission of the electronic copy of the summary announcement to the Exchange for publication on the Exchange’s website. The short-form announcement, whether a summary announcement or notification, will also be posted on the AMS/3 terminals where it relates to a pre-vetted announcement or is a notification of a preliminary results announcement. The short-form announcement will not require clearance from the Exchange prior to publication. All short-form announcements must state where on the Internet (i.e. the Exchange’s website and the issuer’s own website (if any)) the full announcement can be viewed.
- (h) To cater for investors without Internet access, we propose to require any Main Board issuer that has published a short-form announcement in the newspapers to make the full announcement available for inspection during business hours at no charge at its principal place of business in Hong Kong (in the case of a listed issuer) or at certain prescribed locations (in the case of a listed issuer or new applicant). The inspection period must commence on the day on which the short-form announcement is published in the newspapers. It must continue for at least one month or until such time as the relevant corporate communication is sent to shareholders by the listed issuer or distributed to the public in the case of a new applicant, whichever is the later. If no corporate communication is to be issued, it must be for at least 10 consecutive business days. The issuer must provide a copy of the announcement or notice free of charge to any person upon request.
- (i) All documents required to be published on the Exchange’s website or GEM website must (wherever published) set out in a prominent position at the top of the document all such headlines as may be appropriate, selected by the issuer from such classification of documents as required under the Listing Rules. The short-form announcement must also contain the same headlines in a prominent position at the top. A list of these headlines is set out in Appendix E. The same headlines must also be selected during the HKEx-EPS submission process. Please see paragraph 43.
- (j) A Main Board issuer must also publish the full announcement on its own website (if any). The requirement for a Main Board issuer to publish on its own website will cover all documents requiring publication on the Exchange’s website, i.e. not only announcements, but also circulars, annual and interim reports, listing documents etc.. This is similar to the existing requirement for GEM issuers. Publication on an issuer’s own website should be effected simultaneously with submission of the electronic copy to us for publication and in any event must be no later than 1 hour after such submission. As with GEM issuers, the announcement or other document must remain on the issuer’s website for at least five years.
- (k) If a Main Board issuer does not have its own website, it will, in the case of an announcement, have to publish the full announcement in the newspapers as well as on the Exchange’s website. (It will not be required to publish a short-form announcement). The full announcement must be published on the business day next following its submission to the Exchange for publication.

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- (l) In the case of Main Board and GEM new listing applicants, a written confirmation from the sponsor confirming that it has reviewed the announcement and is satisfied that it is appropriate for publication on the Exchange's website or GEM website must be received by the Exchange prior to the announcement being submitted through HKEx-EPS for publication. (Please see paragraph 64.)
- (m) An issuer may publish a full announcement in the newspapers in addition to publication on our website if it so desires. All announcements which are published in the newspapers by an issuer pursuant to the Listing Rules, i.e. either because the issuer does not have its own website or because it has itself chosen to do so, must state where on the Internet (i.e. the Exchange's website and the issuer's own website (if any)) the full announcement can be viewed.
- (n) We consider it undesirable for potentially price sensitive information to be submitted to the Exchange during trading hours or during lunchtime on a business day unless it can be published immediately. Therefore, other than announcements made pursuant to Rule 13.10 or Paragraph 26 of Part H of Appendix 7 of the Main Board Listing Rules (or Rule 17.11 of the GEM Listing Rules) in response to unusual share price movements or turnover, electronic copies of documents must not be submitted to the Exchange during the following times for publication on our website:
- (i) trading hours; and
 - (ii) between 12.30 p.m. and 2.30 p.m. on a business day (other than full preliminary results announcements, which may be submitted and published between 12.30 p.m. and 1.30 p.m. on a business day). As stated in paragraph 65, we propose to abolish totally the publication of short-form preliminary results announcements with the commencement of Phase 1. Only full preliminary results announcements will be published.
- (o) Publication of all documents on the Exchange's website or GEM website will be effected in English and Chinese.
- (p) Rule 13.09(2) of the Main Board Listing Rules states that, if securities of the issuer are also listed on other stock exchanges, the Exchange must be simultaneously informed of any information released to any of such other exchanges and the issuer must ensure that such information is released to the market in Hong Kong at the same time as it is released to the other markets. This includes any information released by a subsidiary of the issuer to another stock exchange on which that subsidiary is listed, if that information is discloseable under Chapter 13 of the Main Board Listing Rules. On 28 October 2004, the Exchange issued a letter to Main Board issuers informing them of the need to submit to the Exchange ready-to-publish electronic copies of such "overseas regulatory announcements" for publication on the Exchange's website on the same day as the relevant information is released to the other markets. Main Board issuers do not need to publish overseas regulatory announcements in the newspapers unless the information concerned is itself discloseable under Chapter 13 of the Main Board Listing Rules, for example pursuant to Rule 13.09 (price-sensitive information) or Chapter 14/14A (notifiable transactions/connected transactions). However, even where the information in an overseas regulatory announcement is not discloseable under Chapter 13 or Chapter 14/14A, the issuer should arrange for the publication of such information on the Exchange's website at the same time as it is released to other stock exchanges such that there is simultaneous release of the same information on the different exchanges. Overseas regulatory announcements are often published in one language only and we do not propose to change this practice.

During Phase 1, Main Board issuers will not be required to publish short-form announcements of overseas regulatory announcements in the newspapers. We propose that an overseas regulatory announcement will only be required to be published on the Exchange's website, as is currently the case, and on the issuer's own website (if any). Where, however, the information concerned is itself discloseable under Chapter 13 or Chapter 14/14A, the issuer will need to comply with the relevant requirements of those Chapters including, during Phase 1, the requirement to publish the short-form announcement in the newspapers and comply with the other applicable requirements (for full and short-form announcements) as set out in this paper.

32. Certain aspects of the operational model are discussed in greater detail below.

Use of HKEx-EPS

33. Currently, issuers submitting announcements for publication on the Exchange's website or GEM website may submit them electronically via the Internet using HKEx-EPS.
34. Other manual submission means, namely fax, diskette or CD-ROM, are currently also accepted for submission of announcements for publication.
35. Current usage of HKEx-EPS for submitting announcements for publication is not high and we have made enquiries to understand why listed issuers are reluctant to use HKEx-EPS. Most of the responses were to the effect that the current system of CD-ROMs, diskettes and faxes is very convenient, and the onus is on the printer to submit the CD-ROM or diskette to us once the typesetting of the paid announcement is completed.
36. There are a number of problems inherent in the use of CD-ROMs, diskettes and faxes to submit documents for publication include: (a) the fact that faxes submitted need to be re-typed if they are to be text-searchable; (b) delays in dissemination of information to the market resulting from faulty discs; and (c) the length of time it takes to upload a CD-ROM or diskette. These risks may be acceptable while paid announcements in the newspapers are the primary means of information dissemination, but going forward these issues need to be resolved.
37. So as to avoid such problems in the future and to accelerate through-processing of announcements, we consider it necessary to mandate the use of HKEx-EPS for the submission of all documents for publication on the Exchange's website and GEM website.
38. Since HKEx-EPS is proposed to become the sole recognised means of submitting an announcement for publication, we are taking steps to ensure that HKEx-EPS is reliable and secure and to provide for enhanced service recovery in the event of an HKEx-EPS disaster.
39. The HKEx-EPS disaster recovery project will take about five months to complete. Work on the implementation of the project is proposed to commence after all the necessary approvals have been obtained to implement the abolition of paid announcements.

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40. In addition, certain security enhancements to HKEx-EPS are proposed. These include the use of two passwords, whenever an announcement is submitted for publication. One password will be input by the person submitting the document while the other will be input by the person giving the final approval for publication. These passwords will be set out in pre-designated pairs and the pairs must be used in a pre-designated sequence, thereby further guarding against unauthorised use. HKEx-EPS will be relaunched and the Exchange will re-register users and generate new passwords. We propose to issue the passwords to each issuer periodically. Passwords will be sent by registered mail to the issuer's authorised representatives who will be required to acknowledge receipt in order for the passwords to be activated. Authorised representatives will be given the option of collecting the passwords in person.
 41. Although the passwords will be sent to authorised representatives, they will need to manage the use of these passwords. They may give the passwords to their advisers, if they so wish, in order for them to submit documents on behalf of the issuer. If they do so, any submission by the adviser will be deemed by the Exchange to be a submission by the issuer.
 42. To cater for the growing population of H-share and red-chip companies, we propose to add a Chinese interface to HKEx-EPS. This will greatly enhance the user-friendliness of HKEx-EPS, particularly for Mainland issuers.
 43. When submitting a document through HKEx-EPS, the submitter will be required to select all applicable headlines from a list. These must be the same as those appearing on the top of the document. This will enable automatic sorting of announcements and other documents along thematic lines which in turn will facilitate online searches by the public.
 44. To ensure that users are adequately prepared to use the enhanced system, we are upgrading our training and technical materials. The user manuals will be re-written with simple instructions on how to submit announcements to us for publication, with a quick reference guide. We will also look into the possibility of producing interactive e-learning material. Such material will be specifically geared towards showing users how to log in and upload a document for publication. In addition, a help-line to answer enquiries on HKEx-EPS will be established.
 45. We will notify the market in due course of the relaunch arrangements.

Submission deadlines

46. HKEx-EPS is currently closed for maintenance on weekdays from midnight to 6.00 a.m. and on week-ends and statutory holidays. As discussed below, we propose to make some changes going forward.
47. Currently, only approximately 40 per cent of pre-vetted announcements scheduled for publication on our website on any given evening are submitted before 9.00 p.m. that evening. Approximately 30 per cent are submitted before midnight, approximately 25 per cent are submitted before 8.30 a.m. the next day and the remaining approximately 5 per cent need follow-up action.

48. The Listing Division currently works on the “5-7-9” model for announcements. That is:

Time	Action
5.00 p.m.	Submission of the final version of the announcement to the Listing Division in a clearable form or a form which requires only minimal comments in order to be cleared
7.00 p.m.	Clearance of the announcement by the Listing Division
9.00 p.m.	Submission of an electronic copy of cleared announcement to ISD for publication on the Exchange’s website or GEM website before the market opens the following business day

49. We propose strictly to enforce the 5.00 p.m. and 7.00 p.m. deadlines so that the submission for publication deadline can be more readily met by issuers.

50. Upon the implementation of Phase 1, we propose to extend the current 9.00 p.m. deadline for submission of electronic copies for publication of 9.00 p.m. to 11.00 p.m. in the case of Main Board issuers. This new 11.00 p.m. deadline will apply to all documents, and not just announcements, which are required to be published on the Exchange’s website before the market opens the following business day.

51. An announcement or other document needs to have been received by the Exchange by the 11:00 p.m. deadline (or during the 2-hour window referred to in paragraph 52, if relevant) if it is to be published on the Exchange’s website before the market opens the following business day. (For the proposed practice regarding suspensions, please see paragraphs 56 to 61.) Documents will be published on the Exchange’s website or GEM website upon receipt of the electronic copy. As with current GEM practice, publication of announcements will normally not take place during trading hours.

52. Where the 11.00 p.m. deadline falls on a business day immediately preceding a day which is not a business day, we propose to make available a 2-hour window (between 6.00 p.m. and 8.00 p.m.) on the day immediately preceding the next following business day during which time issuers may submit documents through HKEx-EPS for publication pursuant to the Listing Rules. For example, if the day for submission of the ready-to-publish electronic copy falls on a Friday, the electronic copy may be submitted to the Exchange between 6.00 p.m. and 8.00 p.m. on Sunday or, if Monday is a statutory holiday and Tuesday is a business day, the electronic copy may be submitted to the Exchange between 6.00 p.m. and 8.00 p.m. on Monday. Similarly, if the day for submission of the ready-to-publish electronic copy falls on a Tuesday with Wednesday being a statutory holiday and Thursday a business day, the electronic copy may be submitted to the Exchange between 6.00 p.m. and 8.00 p.m. on Wednesday. This is so as to enable issuers to make use of week-ends and statutory holidays to finalise documents for publication. However, it should be noted that clearance of the document, as stated in paragraph 48, would need to have been given by 7.00 p.m. on the last business day before the window (i.e. in the case of the two examples given, Friday and Tuesday respectively). Other than as provided by the 2-hour window, submission of documents can only take place on a business day.

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53. If an announcement which requires pre-vetting is not cleared by the Listing Division by 7.00 p.m., it will not be published on the Exchange's website or GEM website before the market opens the following business day. Generally, we do not propose to publish on any given evening any announcement or other document received after 11.00 p.m. In the case of a vetted announcement or announcement containing price sensitive information of a listed issuer, trading in its securities may need to be suspended. (Please see paragraphs 56 to 61) The natural consequence of strict enforcement, in the short term at least, is a greater number of suspensions. However, we believe that this may be the only way to encourage issuers to improve their performance and market practitioners to move towards a more efficient manner of dissemination of information to the market.
54. The extension of the deadline will give more time to the issuer for the preparation of the English and Chinese versions. It will also remove any potential bottlenecks or other problems from the morning slot. We can thereby be certain that the market (in particular, people whose day begins early) will have sufficient time to digest the contents of all the announcements published on our website on any given morning. Further, by publishing information in the evening rather than the following day, the media will have access to the information thereby potentially resulting in wide media coverage. The deadline should instil discipline in the market and accustom the news media to the web-based platform, thereby creating an orderly transitional arrangement.
55. Currently, GEM issuers have, notwithstanding the official 9.00 p.m. deadline under the "5-7-9" model, a *de facto* grace period of until 9.30 a.m. the next business day to publish their announcements on the GEM website. Since, unlike Main Board issuers, we do not propose to require GEM issuers to publish short-form announcements in the newspapers, we consider it appropriate to maintain the flexibility of the status quo for GEM issuers. Therefore, the proposed 11.00 p.m. deadline would not apply to GEM issuers.

Suspensions

56. As stated in paragraph 53, the natural consequence of strict enforcement of the proposed 11.00 p.m. submission for publication deadline, in the short term at least, is a greater number of suspensions. Failure to meet any deadline prescribed under the Listing Rules to publish an announcement or other document in the newspapers or to submit to the Exchange an electronic copy of an announcement or other document for publication on the Exchange's website or GEM website amounts to a breach of the Listing Rules. Issuers that are unable to meet any prescribed deadline must contact the Exchange at the earliest opportunity to ascertain the appropriate operational procedure to enable the information to be disseminated to the market and to avoid or minimise the period of suspension.
57. Our proposed suspension policy for Main Board listed issuers during the transitional period when short-form announcements are proposed to replace full announcements in the newspapers is set out in the form of a flow chart in Appendix F. The key features are set out in paragraphs 58 to 61.
58. Where certain conditions are met, trading in the securities of a listed issuer will not be suspended. On any given morning of a business day, we propose that the electronic copy of the announcement should have been received by the 11.00 p.m. deadline on the evening of the previous business day (or during the 2-hour window referred to in paragraph 52, if relevant) (thereby resulting in timely publication of the announcement on the Exchange's website) and the short-form announcement should have been published in the newspapers on that morning. It should be noted that Saturday is not a business day for the purpose of the Listing Rules. If the short-form announcement has not been so published in the newspapers, the issuer will need to provide reasons to the Exchange for consideration. If the issuer has made no effort to publish the short announcement and the transaction is a significant one, a suspension may be necessary. The short announcement would then need to be published the following business day for resumption purposes.

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59. Further, where all the following conditions are met on any given morning, trading in the securities of a listed issuer is not likely to be suspended. However, there would be close monitoring of the share price and turnover and media reports:
- (i) the full announcement is not a results announcement;
 - (ii) it is not price sensitive (as informed and confirmed by the listed issuer) and the announcement is not one where a suspension is prescribed under the Listing Rules in the event of a failure to publish such announcement by the relevant time;
 - (iii) there has not been any unusual movement in share price or turnover or media interest; and
 - (iv) the information can be kept confidential.
60. We consider that the length of time that an issuer's securities remain suspended should be as short as possible. Therefore, in certain cases, we propose to permit a resumption of trading at 2.30 p.m. if certain conditions are satisfied. These would be where the suspension was due to the electronic copy of the announcement not having been received by the 11.00 p.m. deadline on the evening of the previous business day (or during the 2-hour window referred to in paragraph 52, if relevant) and the circumstances were such that a suspension was required (i.e. the conditions set out in (i) to (iv) of paragraph 59 were not met). If, in such cases, the electronic copy of the announcement is received by the Exchange and published on the Exchange's website between 6.00 a.m. and 9.00 a.m. on the relevant morning and the short-form announcement was also published in the newspapers that morning, a resumption of trading at 2.30 p.m. may be possible. In such cases, the issuer will need also to have informed the market of the afternoon resumption ahead of time (say, by 9.00 a.m., so as to tie in with the deadline for morning publication) by means of an appropriate statement published on the Exchange's website.
61. In other words:
- (a) Where the full announcement is published on the Exchange's website by 11.00 p.m. (or during the 2-hour window referred to in paragraph 52, if relevant) and the short-form announcement has been published in the newspapers the following morning, there is no suspension.
 - (b) Where the full announcement is published on the Exchange's website by 11.00 p.m. (or during the 2-hour window referred to in paragraph 52, if relevant) and the short-form announcement has not been published in the newspapers the following morning, the Exchange will consider the reason for the failure to meet the publication requirement and the nature of transaction. If the issuer has made no effort to publish short announcement and transaction is a significant one, a suspension may be required. In any event, the short announcement must be published in newspapers the following business day.
 - (c) Where the full announcement is published on the Exchange's website between 6.00 a.m. and 9.00 a.m. on the relevant morning but the short-form announcement has not been published in the newspapers that morning, there should be a suspension.
 - (d) Where the full announcement is published on the Exchange's website between 6.00 a.m. and 9.00 a.m. on the relevant morning and the short-form announcement has been published in the newspapers that morning, there will be a suspension with the possibility of a resumption at 2.30 p.m..
 - (e) Where the full announcement has not been published on the Exchange's website the evening before or by 9.00 a.m. on the relevant morning, there will be a suspension even if the short-form announcement has been published in the newspapers that morning.

Registration by new listing applicants and confirmation from sponsor

62. New listing applicants also publish announcements on the Exchange's website and GEM website, such as formal notices and announcements of allotment results. Under our existing published guidance for new listing applications, HKEx-EPS registration application forms are included among the documents to be submitted to us before bulk-printing of the prospectus. We propose to revise the procedure so that an application for HKEx-EPS registration should be submitted to us at the time of the submission of the advance booking form. Passwords can then be issued to the listing applicant once the listing application has been approved in principle by the Listing Committee.
63. Currently, the Listing Rules have the requirement for submission of electronic copies to be accompanied by a confirmation letter from the issuer that the document has been cleared by the Division or that the document is required to be published by the issuer. This applies to both listed issuers and new listing applicants. We propose to remove these requirements. The absence of such confirmations should in no way detract from the issuer's obligation to submit an appropriate document for publication.
64. The requirement for us to have received a written confirmation from the sponsor prior to the announcement being submitted for publication is to enforce the sponsor's responsibility with respect to the contents of the announcement. One of the terms of the undertaking given by the sponsor pursuant to Rule 3A.03 of the Main Board Listing Rules or Rule 6A.03 of the GEM Listing Rules is that it will use reasonable endeavours to ensure that all information provided to us during the listing application process is true in all material respects and does not omit any material information. When a listing applicant is registered for HKEx-EPS, the listing applicant rather than the sponsor will be issued with the relevant security passwords. The confirmation from the sponsor will therefore demonstrate that it has complied with the relevant terms of its undertaking as set out in Rule 3A.04(2) or Rule 6A.04(2).

Proposed abolition of short-form preliminary results announcements

65. Currently, Main Board issuers' short-form preliminary results announcement are published on the Exchange's website and on AMS/3 terminals typically in advance of the publication of the corresponding full preliminary results announcement. With the commencement of Phase 1, we propose to abolish totally the publication of short-form preliminary results announcements (i.e. on AMS/3 terminals and the Exchange's website). This will be consistent with the principle that the Exchange's website should be the primary source of issuers' regulatory information. We also propose to extend the abolition of short-form preliminary results announcements to GEM. In other words, publication of the full preliminary results announcement on the Exchange's website or GEM website, as the case may be, and the issuer's own website will constitute the sole means of dissemination of preliminary results announcements. (During Phase 1, Main Board issuers will, irrespective of whether we adopt notifications or summary announcements, also need to publish in the newspapers a notification of the preliminary results announcement, annual, interim and (if applicable) quarterly.)

Publication on AMS/3

66. Currently, issuers submit an electronic copy of a text (i.e. ASCII) file of any pre-vetted announcement for release on our AMS/3 terminals. These terminals are used by Exchange participants on the trading floor. This is in addition to the electronic copy for publication on our website which is in Adobe Acrobat or MS Word format. This practice was first confirmed to the market by a letter of 6 February 2002 from the Exchange to listed issuers.

67. During Phase 1, we propose to continue requiring issuers to send us text files, but only for the short-form announcements where they relate to pre-vetted announcements or are notifications of preliminary results announcements, online through HKEx-EPS, for release of the information on the AMS/3 terminals. This arrangement, which will be during Phase 1 only, should not involve any extra costs for issuers and is consistent with the overall approach of a gradual and orderly move towards purely web-based information dissemination.

Phase 2

68. The publication of short-form announcements in the newspapers in the place of full announcements should enable the market to accustom itself to the practice of obtaining full versions of Main Board issuers' regulatory announcements from the Internet.

69. We propose to implement our ultimate goal of total abolition of paid announcements approximately nine months (subject to market views) after the implementation of Phase 1.

70. Upon implementation of Phase 2, Main Board issuers will no longer be required to publish announcements in the newspapers for the purpose of the Listing Rules except where, as mentioned in paragraph 31(k), the issuer does not have its own website. Issuers will still have the option of publishing announcements in the newspapers in Phase 2 if they so wish in addition to publication on our website.

71. Some aspects of the Phase 1 operational model are intended to remain in place for Phase 2 and beyond. These are:

- (a) mandatory use of HKEx-EPS for submission of electronic copies of all documents for publication on the Exchange's website and GEM website;
- (b) the requirement for electronic copies of the English and Chinese versions of all documents to be submitted simultaneously and that, where the file size of the document to be submitted exceeds a preset limit as determined by the Exchange from time to time, each of the English and Chinese versions must be split into more than one file;
- (c) the 11.00 p.m. deadline for Main Board issuers to submit electronic copies of documents for publication on the Exchange's website (subject to the 2-hour window referred to in paragraph 52);
- (d) the requirement for electronic copies to be in a text-searchable format and for the layout and contents of each page on an electronic copy submitted to us for publication on the Exchange's website or GEM website to be the same as the layout and contents of the corresponding page of the document as published by the issuer;
- (e) the requirement that all documents required to be published on the Exchange's website or GEM website must (wherever published) set out in a prominent position at the top of the document all such headlines as may be appropriate, selected by the issuer from such list of headlines as the Exchange may from time to time prescribe;
- (f) the requirement to publish on its own website all documents requiring publication on the Exchange's website or GEM website and to retain such documents on the website for five years;
- (g) the requirement for a Main Board issuer which does not have its own website, in the case of an announcement, to publish the full announcement in the newspapers as well as on the Exchange's website;

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- (h) in the case of Main Board and GEM new listing applicants, the written confirmation from the sponsor (please see paragraph 64);
 - (i) the requirement for all full announcements which are published in the newspapers by Main Board issuers to state where on the Internet (i.e. the Exchange's website and the issuer's own website (if any)) the full announcement can be viewed; and
 - (j) the publication of all documents on the Exchange's website or GEM website in English and Chinese.
72. Phase 2, as described in paragraph 71, may be refined in the light of experience gained from the implementation of Phase 1. We will make the details of Phase 2 known to the market when finalised.

PART C: ISSUES

Proposed Rule Amendments

73. We seek market views on the detailed wording of the envisaged Listing Rule amendments with a view to removing ambiguities and providing clarity.

Q1. Do you consider that the envisaged Listing Rule amendments clearly reflect the operational model described in this paper? If not, how could these ambiguities be clarified?

Proposed Implementation

74. We seek market views on whether the short-form announcement which, as an interim measure, we propose to require Main Board issuers to publish in the newspapers, should be a summary announcement or a notification. The issue is whether it should be a summary of the contents of the full announcement or whether it should merely serve to notify investors of the publication of a full announcement on the Exchange's website and issuer's website.

75. Subject to the necessary approvals and operational readiness, we propose to implement Phase 1 in 2006. We recognise the need by issuers for readiness. Therefore, Phase 1 will be implemented at least six months after the finalised Rules and operational model are announced to the market.

76. We consider a period of approximately nine months to be sufficient to prepare the market for the transition to the total abolition of paid announcements in the newspapers as a means of news dissemination for the purpose of the Main Board Listing Rules. We therefore propose to implement our ultimate goal of total abolition of paid announcements approximately nine months after the implementation of Phase 1.

Q2. Do you consider that the short-form announcement which, as an interim measure, Main Board issuers will be required to publish in the newspapers, should be a summary announcement or a notification?

Q3. Do you support the proposed implementation timetable? If not, please specify your points of disagreement and recommend an alternative implementation timetable.

Personal Information Collection Statement

This Personal Information Collection Statement (the PICS) is made in accordance with the guidelines issued by the Privacy Commissioner for Personal Data. The PICS sets out the purposes for which the Personal Data of respondents will be used after collection, what these respondents are agreeing to in respect of HKEx's use of their Personal Data and their rights under the Personal Data (Privacy) Ordinance.

Purpose of Collection

HKEx may use the Personal Data of respondents collected by HKEx in connection with this consultation paper for one or more of the following purposes:

- for performing HKEx's functions and those of its subsidiaries under the relevant laws, rules and regulations;
- for research and statistical purposes;
- for any other lawful purposes

Transfer of Personal Data

Personal Data collected may be disclosed by HKEx to members of the public in Hong Kong and elsewhere, as part of the public consultation on this consultation paper.

Access to or Correction of Data

You have the right to request access to and correction of your Personal Data in accordance with the provisions of the Personal Data (Privacy) Ordinance. HKEx has the right to charge a reasonable fee for processing any data access request. If you wish to request access to and/or correction of your Personal Data provided in your submission on this consultation paper, you may do so in writing addressed to:

Personal Data Privacy Officer
Hong Kong Exchanges and Clearing Limited
11th Floor, One International Finance Centre
1 Harbour View Street
Central
Hong Kong
cvw@hkex.com.hk

HKEx has the right to charge a reasonable fee for processing any data access request.

Privacy Policy Statement

HKEx is firmly committed to preserving the privacy of respondents in relation to Personal Data supplied to HKEx on a voluntary basis. Personal Data may include names, addresses, e-mail addresses, login names etc. HKEx uses the information for the stated purposes when your Personal Data is collected. The Personal Data will not be used for any other purposes without your consent unless such use is permitted or required by law.

HKEx has security measures in place to protect the loss, misuse and alteration of the Personal Data of respondents. HKEx will strive to maintain Personal Data as accurately as reasonably possible and Personal Data will be retained for such period as may be necessary for the proper discharge of the function of HKEx and those of its subsidiaries.

APPENDIX B — DRAFT LISTING RULE AMENDMENTS RELATING TO SUMMARY ANNOUNCEMENTS AND NOTIFICATIONS

Summary Announcements

The intention is that we prescribe the minimum on what must be included in the summary announcement. The issuer is responsible for deciding how much detail to include. The directors must provide sufficient information in the summary announcement for the proper understanding by shareholders and investors of the nature of the transaction. The issuer may choose to publish the full announcement if it feels that it is difficult to summarise or for any other reason.

Notifications

A notification should merely serve to notify investors of the publication of the announcement on the Exchange's website and issuer's website. The issuer may choose to publish the full announcement in the newspapers in place of a notification.

So that issuers will not relegate the notification to relative obscurity within the newspaper, we propose that the notification should be of a size of not less than 10 centimetres by 12 centimetres.

Draft Listing Rule Amendments

We propose to incorporate the requirement to publish summary announcements or notifications into the Main Board Listing Rules by means of a Rule amendment (a new Rule 2.17A). The draft text of this Rule is set out in the remainder of this Appendix B. Please refer to the draft for further details of the proposed requirements.

Amendments to Main Board Listing Rules to Implement Summary Announcements

Transitional Arrangements

2.17A The following provisions set out transitional arrangements with regard to dissemination of issuers' information for the purpose of these Exchange Listing Rules and shall cease to have effect on such date as the Exchange may determine and promulgate.

(1) Where:

(a) an issuer is required under these Exchange Listing Rules to publish an announcement or notice in accordance with rule 2.07C; and

(b) the full announcement or notice is not published in the newspapers,

the issuer must, subject to rule 2.17A(3), publish a summary announcement in the newspapers in addition to complying with the requirements under rule 2.07C.

Note: Under these transitional arrangements, summary announcements, rather than full announcements or notices, will in most cases be published in the newspapers. However, there are cases where it is the full announcement or notice that is published in the newspapers. This occurs where the issuer itself chooses to do so pursuant to rule 2.17A(5) or where it is required to do so under a specific requirement in these Exchange Listing Rules (e.g. rule 2.07C(1)(a)(iii)).

(2) Publication of the summary announcement in the newspapers must be on the business day next following submission of the electronic copy of the full announcement or notice to the Exchange for publication on the Exchange's website.

Notes: (1) This is so that the full announcement or notice will be on the Exchange's website by the time the summary announcement is published in the newspapers. Issuers that are unable to meet this rule requirement will in individual circumstances need to contact the Exchange at the earliest opportunity.

(2) Please refer to rule 2.07C for the requirements governing the submission of the electronic copy of the full announcement or notice to the Exchange for publication.

(3) (a) The requirement in rule 2.17A(1) to publish a summary announcement does not apply to an announcement made by an issuer pursuant to rule 13.10 or paragraph 26 of part H of Appendix 7.

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- (b) In the case of a preliminary results announcement, the issuer must publish, instead of a summary announcement, a notification of the preliminary results announcement in the newspapers. Publication of the notification in the newspapers must be on the business day next following submission of the electronic copy of the relevant preliminary results announcement to the Exchange for publication on the Exchange's website. The notification must comply with the requirements of rule 2.17A(9).

Notes: (1) This is so that the preliminary results announcement will be on the Exchange's website by the time the notification is published in the newspapers. Issuers that are unable to meet this rule requirement will in individual circumstances need to contact the Exchange at the earliest opportunity.

(2) Please refer to rule 2.07C for the requirements governing the submission of the electronic copy of the preliminary results announcement to the Exchange for publication.

- (4) The summary announcement must not be misleading or inaccurate. The summary announcement, when read on its own, must be consistent with the full announcement or notice. As a minimum, it must represent the directors' assessment and:

- (a) convey using non-technical language sufficient information to enable investors to understand the essential characteristics and nature of the matter involved;
- (b) be consistent with the full announcement or notice and must not omit key information;
- (c) contain on the top of the summary announcement a prominent and legible disclaimer statement as follows:—

"The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement."

- (d) contain a statement:
 - (i) that the full announcement or notice, of which it is a summary, is available for viewing on the Exchange's website and the issuer's own website giving details as to where on these websites it is to be found (to the fullest extent known at the time of publication of the summary announcement); and
 - (ii) as to where the full announcement or notice is available for inspection, that such inspection is available to the public at no charge, as to the hours of such inspection and days on which such inspection is available, that copies will be provided upon request free of charge (see rule 2.17A(8) below);
- (e) contain a warning that:
 - (i) the summary announcement is only a summary of the information in the full announcement or notice and does not contain full or complete details; and
 - (ii) any investment decision should be based on consideration of the full announcement or notice as a whole by the investor; and

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- (f) set out in a prominent position at the top of the summary announcement, all such headlines as may be appropriate, selected by the issuer from such list of headlines as the Exchange may from time to time prescribe (which must be the same headlines as those set out in the announcement pursuant to rule 2.07C(4)).
- (5) The issuer is responsible for deciding how much detail to include in the summary announcement. The directors must provide sufficient information in the summary announcement for the proper understanding by shareholders and investors of the nature of the transaction. The issuer may publish the full announcement or notice in the newspapers instead of a summary announcement.
- (6) The summary announcement does not require clearance from the Exchange prior to publication.
- (7) (a) The issuer must submit through HKEx-EPS a ready-to-publish electronic copy of the summary announcement to the Exchange for publication on the Exchange's website. Subject to rule 2.17A(7)(c), the ready-to-publish electronic copy must be received by the Exchange no later than 11.00 p.m. on the business day immediately before the day on which the summary announcement is published in the newspapers. Such electronic copies must be virus-free and rules 2.07C(5) and (6) shall apply to the submission of such electronic copies. The issuer must also publish the summary announcement on its own website (if any). Such publication should be at the same time as, and in any event must be no later than 1 hour after, submission of the electronic copy of the summary announcement to the Exchange for publication on the Exchange's website.
- (b) In the case of a summary announcement of a full announcement or notice which has been pre-vetted by the Exchange, the issuer must submit through HKEx-EPS a ready-to-publish electronic copy of the summary announcement in text (ASCII) format to the Exchange for publication on the Exchange's AMS/3 terminals. Subject to rule 2.17A(7)(c), the ready-to-publish electronic copy must be received by the Exchange no later than 11.00 p.m. on the business day immediately before the day on which the summary announcement is published in the newspapers. Such electronic copies must be virus-free and rules 2.07C(5) and (6) shall apply to the submission of such electronic copies with references to "the Exchange's website" being construed as references to "the Exchange's AMS/3 terminals".
- (c) Where the day for submission of the ready-to-publish electronic copy pursuant to rule 2.17A(7)(a) or (b) falls on a business day immediately preceding a day which is not a business day, the electronic copy may be submitted to the Exchange for receipt between 6.00 p.m. and 8.00 p.m. on the day immediately preceding the next following business day for publication on the Exchange's website.

Note: For example, if the day for submission of the ready-to-publish electronic copy falls on a Friday, the electronic copy may be submitted to the Exchange between 6.00 p.m. and 8.00 p.m. on Sunday or, if Monday is a statutory holiday and Tuesday is a business day, the electronic copy may be submitted to the Exchange between 6.00 p.m. and 8.00 p.m. on Monday. Similarly, if the day for submission of the ready-to-publish electronic copy falls on a Tuesday with Wednesday being a statutory holiday and Thursday a business day, the electronic copy may be submitted to the Exchange between 6.00 p.m. and 8.00 p.m. on Wednesday.

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- (8) Where an issuer has published a summary announcement in the newspapers, it must make the full announcement or notice available for inspection during business hours at no charge at its principal place of business in Hong Kong (in the case of a listed issuer) or at a location in the Central and Western District, Wanchai District, Eastern District or Yau Tsim Mong District of Hong Kong (in the case of a listed issuer or new applicant). The inspection period must commence on the day on which the summary announcement is published in the newspapers. It must continue for at least one month or until such time as the relevant corporate communication is sent to shareholders by the listed issuer or distributed to the public in the case of a new applicant, whichever is the later. If no corporate communication is to be issued, it must be for at least 10 consecutive business days. The issuer must provide a copy of the announcement or notice free of charge to any person upon request.
- (9) (a) A notification of a preliminary results announcement must set out no less (and no more) than:
- (i) a statement that the preliminary results announcement is available for viewing on the Exchange's website and the issuer's own website giving details as to where on these websites it is to be found (to the fullest extent known at the time of publication of the notification);
 - (ii) a statement that the notification merely serves to advise investors of the publication of the announcement or notice on the Exchange's website and the issuer's own website;
 - (iii) a warning statement that the notification does not contain information upon which an investment decision should be based and should not be relied upon by investors for such purpose;
 - (iv) a statement that investors should refer to the announcement or notice for details of the issuer's preliminary results;
 - (v) a statement as to where the announcement or notice is available for inspection, that such inspection is available to the public at no charge, as to the hours of such inspection and days on which such inspection is available, that copies will be provided upon request free of charge (see rule 2.17A(9)(f) below);
 - (vi) in a prominent position at the top of the notification, all such headlines as may be appropriate, selected by the issuer from such list of headlines as the Exchange may from time to time prescribe (which must be the same headlines as those set out in the announcement pursuant to rule 2.07C(4)); and
 - (vii) such other information as the Exchange may from time to time require.
- (b) The notification must be of a size of not less than 10 centimetres by 12 centimetres.
- (c) The issuer may publish the preliminary results announcement in the newspapers instead of a notification.
- (d) Rules 2.17A(6), (7)(b) and (c) and (8) shall apply to notifications with references to "summary announcement" and "full announcement or notice" being construed as references to "notification" and "preliminary results announcement" respectively.

Amendments to Main Board Listing Rules to Implement Notifications

Transitional Arrangements

2.17A The following provisions set out transitional arrangements with regard to dissemination of issuers' information for the purpose of these Exchange Listing Rules and shall cease to have effect on such date as the Exchange may determine and promulgate.

(1) Where:

(a) an issuer is required under these Exchange Listing Rules to publish an announcement or notice in accordance with rule 2.07C; and

(b) the announcement or notice is not published in the newspapers,

the issuer must, subject to rule 2.17A(3), publish a notification in the newspapers in addition to complying with the requirements under rule 2.07C.

Note: Under these transitional arrangements, notifications, rather than the announcements or notices, will in most cases be published in the newspapers. However, there are cases where it is the announcement or notice that is published in the newspapers. This occurs where the issuer itself chooses to do so pursuant to rule 2.17A(6) or where it is required to do so under a specific requirement in these Exchange Listing Rules (e.g. rule 2.07C(1)(a)(iii)).

(2) Publication of the notification in the newspapers must be on the business day next following submission of the electronic copy of the announcement or notice to the Exchange for publication on the Exchange's website.

Notes: (1) This is so that the announcement or notice will be on the Exchange's website by the time the notification is published in the newspapers. Issuers that are unable to meet this rule requirement will in individual circumstances need to contact the Exchange at the earliest opportunity.

(2) Please refer to rule 2.07C for the requirements governing the submission of the electronic copy of the announcement or notice to the Exchange for publication.

(3) The requirement in rule 2.17A(1) to publish a notification does not apply to an announcement made by an issuer pursuant to rule 13.10 or paragraph 26 of part H of Appendix 7.

(4) The notification must set out no less (and no more) than:

(a) the nature of the transaction or subject matter;

(b) a statement that the announcement or notice containing details of the matter is available for viewing on the Exchange's website and the issuer's own website giving details as to where on these websites it is to be found (to the fullest extent known at the time of publication of the notification);

(c) a statement that the notification merely serves to advise investors of the matter and of the publication of the announcement or notice on the Exchange's website and the issuer's own website;

(d) a warning statement that the notification does not contain information upon which an investment decision should be based and should not be relied upon by investors for such purpose;

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- (e) a statement that investors should refer to the announcement or notice for details of the matter;
 - (f) a statement as to where the announcement or notice is available for inspection, that such inspection is available to the public at no charge, as to the hours of such inspection and days on which such inspection is available, that copies will be provided upon request free of charge (see rule 2.17A (9) below);
 - (g) in a prominent position at the top of the notification, all such headlines as may be appropriate, selected by the issuer from such list of headlines as the Exchange may from time to time prescribe (which must be the same headlines as those set out in the announcement pursuant to rule 2.07C(4)); and
 - (h) such other information as the Exchange may from time to time require.
- (5) The notification must be of a size of not less than 10 centimetres by 12 centimetres.
 - (6) The issuer may publish the announcement or notice in the newspapers instead of a notification.
 - (7) The notification does not require clearance from the Exchange prior to publication.
 - (8) (a) In the case of a notification of an announcement or notice which has been pre-vetted by the Exchange or a notification of a preliminary results announcement, the issuer must submit through HKEx-EPS a ready-to-publish electronic copy of the notification in text (ASCII) format to the Exchange for publication on the Exchange's AMS/3 terminals. Subject to rule 2.17A(8)(b), the ready-to-publish electronic copy must be received by the Exchange no later than 11.00 p.m. on the business day immediately before the day on which the notification is published in the newspapers. Such electronic copies must be virus-free and rules 2.07C(5) and (6) shall apply to the submission of such electronic copies with references to "the Exchange's website" being construed as references to "the Exchange's AMS/3 terminals".
 - (b) Where the day for submission of the ready-to-publish electronic copy pursuant to rule 2.17A(8)(a) falls on a business day immediately preceding a day which is not a business day, the electronic copy may be submitted to the Exchange for receipt between 6.00 p.m. and 8.00 p.m. on the day immediately preceding the next following business day for publication on the Exchange's website.

Note: For example, if the day for submission of the ready-to-publish electronic copy falls on a Friday, the electronic copy may be submitted to the Exchange between 6.00 p.m. and 8.00 p.m. on Sunday or, if Monday is a statutory holiday and Tuesday is a business day, the electronic copy may be submitted to the Exchange between 6.00 p.m. and 8.00 p.m. on Monday. Similarly, if the day for submission of the ready-to-publish electronic copy falls on a Tuesday with Wednesday being a statutory holiday and Thursday a business day, the electronic copy may be submitted to the Exchange between 6.00 p.m. and 8.00 p.m. on Wednesday.

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- (9) Where an issuer has published a notification in the newspapers, it must make the announcement or notice available for inspection during business hours at no charge at its principal place of business in Hong Kong (in the case of a listed issuer) or at a location in the Central and Western District, Wanchai District, Eastern District or Yau Tsim Mong District of Hong Kong (in the case of a listed issuer or new applicant). The inspection period must commence on the day on which the notification is published in the newspapers. It must continue for at least one month or until such time as the relevant corporate communication is sent to shareholders by the listed issuer or distributed to the public in the case of a new applicant, whichever is the later. If no corporate communication is to be issued, it must be for at least 10 consecutive business days. The issuer must provide a copy of the announcement or notice free of charge to any person upon request.

APPENDIX C — OTHER DRAFT LISTING RULE AMENDMENTS

(Proposed major amendments only. Relatively minor changes can be viewed at http://www.hkex.com.hk/consul/paper/minchange_e.pdf)

MAIN BOARD

Chapter 1

INTERPRETATION

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

“HKEx-EPS”	<u>means the Exchange’s electronic publication system by whatever name such system is called</u>
“published in the newspapers”	published as a paid advertisement in English in at least one English language newspaper and in Chinese in at least one Chinese language newspaper, being in each case a newspaper published daily and circulating generally in Hong Kong and specified in the list of newspapers issued and published in the Gazette for the purposes of section 71A of the Companies Ordinance by the Secretary for Administrative Services and Information and “publish in the newspapers” shall be construed accordingly

Chapter 2

Delivery of Information and Documents

2.07 (3) ~~Issuers who are listed issuers must submit to the Exchange by electronic means a copy of any announcement, notice or other document which they are obliged to publish in the newspapers pursuant to or otherwise for the purposes of the Exchange Listing Rules for publication on the Exchange’s website on the same day as such announcement, notice or other document is to be published in the newspapers. Any copy of an announcement, notice or other document submitted for publication on the Exchange’s website must be the same as the version submitted for publication in the newspapers. For documents which require Exchange clearance under the Exchange Listing Rules, the copy must be submitted to the Exchange together with a written confirmation from or on behalf of the listed issuer or new applicant that it has been cleared by the Listing Division.~~

(4) ~~All announcements, notices or other documents provided to the Exchange by electronic means must be so provided on diskette or on CD-ROM and in a virus-free electronic format according to the timing and procedures specified by the Exchange from time to time or in such other manner as may be determined and promulgated by the Exchange from time to time.~~

Note: ~~The Exchange accepts no responsibility for any defects in the content or format of any announcement, notice or other document submitted for publication on the Exchange’s website and accepts no responsibility for any delay or failure in publication. It is the sole responsibility of the listed issuer or new applicant to ensure that all material submitted by it or on its behalf for publication on the Exchange’s website is accurate.~~

(35) ~~For the avoidance of doubt, nothing in the Exchange Listing Rules shall be construed as imposing upon the Exchange an obligation to publish on the Exchange’s website any document or communication other than the documents referred to in Rule 2.07(3) than as expressly provided in these Exchange Listing Rules.~~

Use of Electronic Means

2.07B(2)

Note:

(8) *The listed issuer makes an public announcement in accordance with rule 2.07C stating the proposed arrangements at the same time as the First Letter is dispatched to holders.*

- 2.07C(1) (a) (i) An listed issuer or a new applicant which is obliged to publish for the purposes of the Exchange Listing Rules any announcement or notice must submit through HKEx-EPS a ready-to-publish electronic copy of the document to the Exchange for publication on the Exchange's website. by electronic means for publication a ready-to-publish copy of any announcement or notice which is required under the Exchange Listing Rules to be published in the newspapers. The copy must be received by the Exchange no later than 9.00 p.m. on the business day last preceding the day on which it is published in the newspapers.
- (ii) In the case of a new applicant, a written confirmation to the Exchange from the sponsor confirming that it has reviewed the announcement or notice and is satisfied that it is appropriate for publication on the Exchange's website must be received by the Exchange prior to the announcement or notice being submitted through HKEx-EPS for publication.
- (iii) The issuer must also publish the announcement or notice on its own website (if any). Such publication should be at the same time as, and in any event must be no later than 1 hour after, submission of the electronic copy of the announcement or notice to the Exchange for publication on the Exchange's website. If the issuer does not have its own website, it must publish the announcement or notice in the newspapers on the business day next following submission of the same to the Exchange for publication.
- (iv) All announcements or notices which are published in the newspapers by an issuer pursuant to these Exchange Listing Rules must state that it is available for viewing on the Exchange's website and the issuer's own website (if any) giving details as to where on these websites it is to be found (to the fullest extent known at the time of publication of the announcement or notice).
- (v) In order for an announcement or notice to be published on the Exchange's website on any given day, a ready-to-publish electronic copy of it must (subject to rule 2.07C(2)) be received by the Exchange no later than 11.00 p.m. on that day.
- (b) (i) Other than where a prospectus is to be registered under the Companies Ordinance, a listed issuer or new applicant must submit to the Exchange by electronic means through HKEx-EPS for publication on the Exchange's website a ready-to-publish electronic copy of any corporate communication which is required by the Exchange Listing Rules (including any listing document of a listed issuer or new applicant which is not to be registered under the Companies Ordinance) to be sent to holders of any of the issuer's listed securities. The electronic copy must (subject to rule 2.07C(2)) be received by the Exchange no later than 11.00 p.m. on the business day last preceding the day on which it is sent to shareholders by the listed issuer or distributed to the public in the case of a new applicant. The issuer must also publish the corporate communication on its own website. Such publication should be at the same time as, and in any event must be no later than 1 hour after, submission of the electronic copy of the corporate communication to the Exchange for publication on the Exchange's website.

(ii) Where a prospectus is to be registered under the Companies Ordinance, the listed issuer or new applicant must submit to the Exchange through HKEx-EPS by electronic means for publication on the Exchange's website a ready-to-publish electronic copy of each of the prospectus and any application forms. The copies must be received by the Exchange submitted to the Exchange at the same time as they are sent to shareholders by the listed issuer or, in the case of a new applicant, their distribution to the public commences. They must be submitted only after the issuer has received the letter from the Companies Registry confirming registration of the prospectus under the Companies Ordinance. The issuer must also promptly submit a copy of the letter to the Exchange for its records, no later than 9.00 a.m. on the day of registration of the prospectus under the Companies Ordinance.

(iii) The issuer must ensure that any document published on its website pursuant to these Exchange Listing Rules remains available on its website on a continuous basis for at least 5 years from the date of first publication.

~~(c) A new applicant must submit to the Exchange by electronic means for publication on the Exchange's website a ready-to-publish copy of each of the prospectus (or other listing document) and any application forms issued by the new applicant in connection with its application for listing. The copies must be received by the Exchange no later than 9.00 a.m. on the day of registration of the prospectus under the Companies Ordinance or, where the listing document is not to be registered, no later than 9.00 p.m. on the business day last preceding its date of issue.~~

Note: Issuers must accordingly bear in mind the time required to comment on and clear the form of any document so as to be able to submit the ready-to-publish electronic copy to the Exchange by the stipulated deadline.

(2) Any copy of a document submitted for publication on the Exchange's website must be the same as the version sent by means permitted under the Exchange Listing Rules or published (as the case may be) by the issuer. For documents which require Exchange clearance under the Exchange Listing Rules, the copy must be submitted to the Exchange together with a written confirmation from or on behalf of the issuer that it has been cleared by the Listing Division. Where a prospectus is to be registered under the Companies Ordinance, the issuer must also provide written confirmation of such registration accompanied by a copy of the letter from the Companies Registry confirming the registration, as soon as the issuer has received this letter.

(3) All documents provided to the Exchange by electronic means must be so provided on diskette or on CD ROM and in a virus-free electronic format according to the timing and procedures specified by the Exchange from time to time or in such other manner as may be determined and promulgated by the Exchange from time to time.

(2) Where the day for submission of the ready-to-publish electronic copy pursuant to rule 2.07C(1)(a)(v) or rule 2.07C(1)(b)(i) falls on a business day immediately preceding a day which is not a business day, the electronic copy may be submitted to the Exchange for receipt between 6.00 p.m. and 8.00 p.m. on the day immediately preceding the next following business day for publication on the Exchange's website.

Note: For example, if the day for submission of the ready-to-publish electronic copy falls on a Friday, the electronic copy may be submitted to the Exchange between 6.00 p.m. and 8.00 p.m. on Sunday or, if Monday is a statutory holiday and Tuesday is a business day, the electronic copy may be submitted to the Exchange between 6.00 p.m. and 8.00 p.m. on Monday. Similarly, if the day for submission of the ready-to-publish electronic copy falls on a Tuesday with Wednesday being a statutory holiday and Thursday a business day, the electronic copy may be submitted to the Exchange between 6.00 p.m. and 8.00 p.m. on Wednesday.

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- (3) All electronic copies of documents submitted by an issuer through HKEx-EPS to the Exchange for publication on the Exchange's website must be virus-free with all words in a text-searchable format. The layout and contents of each page on the electronic copy of the documents submitted to the Exchange for publication on the Exchange's website must be the same as the layout and contents of the corresponding page of the document as published by the issuer (whether in the newspapers, on its own website, as sent to shareholders or otherwise).
- (4) All documents required to be published in accordance with rule 2.07C must (wherever published) set out in a prominent position at the top of the document all such headlines as may be appropriate, selected by the issuer from such list of headlines as the Exchange may from time to time prescribe.
- (5) Except where otherwise expressly provided in these Exchange Listing Rules:
- (a) other than announcements made pursuant to rule 13.10 or paragraph 26 of Part H of Appendix 7, electronic copies of documents must not be submitted to the Exchange during the following times for publication on the Exchange's website:
- (i) trading hours; and
- (ii) between 12.30 p.m. and 2.30 p.m. on a business day (other than full preliminary results announcements, which may be submitted and published between 12.30 p.m. and 1.30 p.m. on a business day).
- (b) publication of any document on the Exchange's website will be effected in both English and Chinese;
- (c) the ready-to-publish electronic copy of any document submitted by an issuer to the Exchange for publication on the Exchange's website (other than a listing document of a new applicant and annual report of a listed issuer) must comprise both the English and Chinese versions of that document. The two versions must be submitted simultaneously;
- (d) in the case of the English and Chinese versions of a listing document of a new applicant or annual report submitted by an issuer to the Exchange for publication on the Exchange's website, the issuer must submit the ready-to-publish electronic copy of one version immediately after submission of the other version; and
- (e) where the file size of the document to be submitted exceeds a preset limit as determined by the Exchange from time to time, each of the English and Chinese ready-to-publish electronic copies must be split into more than one file. In such cases, the issuer must at the same time also submit to the Exchange an index for the files in such format as the Exchange may from time to time prescribe.
- (6) Issuers must comply with such requirements as the Exchange may from time to time determine and promulgate with regard to format, timing, procedure or otherwise for publication and submission of documents to the Exchange.

Note: The Exchange accepts no responsibility for any defects in the content or format of any document submitted for publication on the Exchange's website and accepts no responsibility for any delay or failure in publication. It is the sole responsibility of the issuer to ensure that all material submitted by it or on its behalf for publication on the Exchange's website is accurate.

GEM

Chapter 1

INTERPRETATION

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

“HKEx-EPS” means the Exchange’s electronic publication system by whatever name such system is called

Chapter 16

Publication on the GEM website

16.17 After the GEM Listing Division has confirmed that it has no further comments on any draft announcement, notice or other document, the issuer must submit the cleared version to the Exchange, for publication on the GEM website, ~~together with a written confirmation from or on behalf of the issuer that such version is the cleared version.~~ The cleared version must be submitted in sufficient time so as to enable it to be published on the GEM website in accordance with any time limit prescribed by the GEM Listing Rules. For any announcement, notice or other document required by the GEM Listing Rules to be published on the GEM website but which is not required to be cleared by the Exchange, the issuer must submit the final version of the document, ~~together with a written confirmation from or on behalf of the issuer that the document is required to be published by the issuer.~~ In this regard, the following ~~specific deadlines~~ must be adhered to:

- (1) ~~The ready-to-publish version of any announcement or notice must be received by the Exchange no later than 9.00 p.m. on any business day, if it is to be published on the GEM website before the time that is 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day.~~
- (2)
 - (a) ~~Other than where a prospectus is to be registered under the Companies Ordinance, the ready-to-publish version of any corporate communication required by the GEM Listing Rules to be sent by a listed issuer to holders of any of its listed securities must be received by the Exchange no later than 9.00 p.m. on the business day last preceding the day on which it is so sent.~~
 - (b) ~~Where a prospectus is to be registered under the Companies Ordinance, the listed issuer must submit to the Exchange by electronic means for publication on the GEM website a ready-to-publish version of each of the prospectus and any application forms. Such version must be received by the Exchange no later than 9.00 a.m. on the day of registration of the prospectus under the Companies Ordinance.~~
- (3) ~~The ready-to-publish version of any prospectus (or other listing document) and any application forms issued by a new applicant in connection with its application for listing must be received by the Exchange no later than 9.00 a.m. on the day of registration of the prospectus under the Companies Ordinance or, where the listing document is not to be registered, no later than 9.00 p.m. on the business day last preceding its date of issue.~~

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- (4) ~~Where a prospectus is to be registered under the Companies Ordinance, the issuer must also provide written confirmation of such registration accompanied by a copy of the letter from the Companies Registry confirming the registration, as soon as the issuer has received this letter.~~

Note: Issuers must accordingly bear in mind the time required to comment on and clear the form of any document so as to be able to submit the ready-to-publish version to the Exchange by the stipulated deadline.

- (1) (a) A listed issuer or a new applicant which is obliged to publish for the purposes of the GEM Listing Rules any announcement or notice must submit through HKEx-EPS a ready-to-publish electronic copy of the document to the Exchange for publication on the GEM website.
- (b) In the case of a new applicant, a written confirmation to the Exchange from the sponsor confirming that it has reviewed the announcement or notice and is satisfied that it is appropriate for publication on the GEM website must be received by the Exchange prior to the announcement or notice being submitted through HKEx-EPS for publication.
- (c) All announcements or notices which are published in the newspapers by an issuer pursuant to the GEM Listing Rules must state that it is available for viewing on the GEM website and the issuer's own website (if any) giving details as to where on these websites it is to be found (to the fullest extent known at the time of publication of the announcement or notice).
- (d) The ready-to-publish electronic copy of any announcement or notice must be received by the Exchange no later than 9.00 p.m. on any business day, if it is to be published on the GEM website before the time that is 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day.
- (2) (a) Other than where a prospectus is to be registered under the Companies Ordinance, a listed issuer or new applicant must submit to the Exchange through HKEx-EPS for publication on the GEM website a ready-to-publish electronic copy of any corporate communication which is required by the GEM Listing Rules (including any listing document of a listed issuer or new applicant which is not to be registered under the Companies Ordinance). The electronic copy must be received by the Exchange no later than 9.00 p.m. on the business day last preceding the day on which it is sent to shareholders by the listed issuer or distributed to the public in the case of a new applicant.
- (b) Where a prospectus is to be registered under the Companies Ordinance, the listed issuer or new applicant must submit to the Exchange through HKEx-EPS for publication on the GEM website a ready-to-publish electronic copy of each of the prospectus and any application forms. The copies must be submitted to the Exchange at the same time as they are sent to shareholders by the listed issuer or, in the case of a new applicant, their distribution to the public commences. They must be submitted only after the issuer has received the letter from the Companies Registry confirming registration of the prospectus under the Companies Ordinance. The issuer must also promptly submit a copy of the letter to the Exchange for its records.

16.18 (1) ~~The ready-to-publish version of any announcement, notice or other document, as referred to in rule 16.17 must be provided (by electronic means or on diskette or on CD ROM) to the Exchange (at the address specified pursuant to rule 2.21) in a virus-free electronic format according to the procedures specified by the Exchange from time to time or in such other manner as may be determined and promulgated by the Exchange from time to time.~~ All electronic copies of documents submitted by an issuer through HKEx-EPS to the Exchange for publication on the GEM website must be virus-free with all words in a text-searchable format. The layout and contents of each page on the electronic copy of the documents submitted to the Exchange for publication on the GEM website must be the same as the layout and contents of the corresponding page of the document as published by the issuer (whether in the newspapers, on its own website, as sent to shareholders or otherwise).

Note: The Exchange will rely on the written confirmation from or on behalf of the issuer, as referred to in rule 16.17 and, as such, accepts no responsibility for any defects in the content or format of any announcement, notice or other document submitted for publication on the GEM website and accepts no responsibility for any delay or failure in publication arising out of any such defect.

(2) All documents required to be published in accordance with rule 16.17 must (wherever published) set out in a prominent position at the top of the document all such headlines as may be appropriate, selected by the issuer from such list of headlines as the Exchange may from time to time prescribe.

(3) Except where otherwise expressly provided in these GEM Listing Rules:

(a) other than announcements made pursuant to rule 17.11, electronic copies of documents must not be submitted to the Exchange during the following times for publication on the GEM website:

(i) trading hours; and

(ii) between 12.30 p.m. and 2.30 p.m. on a business day (other than full preliminary results announcements, which may be submitted and published between 12.30 p.m. and 1.30 p.m. on a business day).

(b) publication of any document on the GEM website will be effected in both English and Chinese;

(c) the ready-to-publish electronic copy of any document submitted by an issuer to the Exchange for publication on the GEM website (other than a listing document of a new applicant and annual report of a listed issuer) must comprise both the English and Chinese versions of that document. The two versions must be submitted simultaneously;

(d) in the case of the English and Chinese versions of a listing document of a new applicant or annual report submitted by an issuer to the Exchange for publication on the GEM website, the issuer must submit the ready-to-publish electronic copy of one version immediately after submission of the other version; and

(e) where the file size of the document to be submitted exceeds a preset limit as determined by the Exchange from time to time, each of the English and Chinese ready-to-publish electronic copies must be split into more than one file. In such cases, the issuer must at the same time also submit to the Exchange an index for the files in such format as the Exchange may from time to time prescribe.

(4) Issuers must comply with such requirements as the Exchange may from time to time determine and promulgate with regard to format, timing, procedure or otherwise for publication and submission of documents to the Exchange.

Note: The Exchange accepts no responsibility for any defects in the content or format of any document submitted for publication on the Exchange's website and accepts no responsibility for any delay or failure in publication. It is the sole responsibility of the issuer to ensure that all material submitted by it or on its behalf for publication on the Exchange's website is accurate.

16.19 The issuer shall publish on its own website (if any) ~~the cleared version (if clearance by the Exchange is required) or the final version (if clearance by the Exchange is not required)~~ of any announcement, notice or other document submitted by the issuer pursuant to rule 16.17 for publication on the GEM website; ~~provided always that publication on its own website may not be effected prior to publication on the GEM website.~~ Such publication should be at the same time as, and in any event must be no later than 1 hour after, submission of the electronic copy of the document to the Exchange for publication on the GEM website. The issuer must ensure that any document so published remains available on its website on a continuous basis for at least 5 years from the date of first publication.

Short-Form Announcements

1. We set out in Appendix B the proposed Listing Rule amendments for summary announcements and notifications. The relevant set of amendments is proposed to be implemented during the transitional period (i.e. Phase 1) prior to total abolition of paid announcements. These amendments are to the Main Board Listing Rules only.

Other Amendments/Miscellaneous Issues

2. We set out in Appendix C and at http://www.hkex.com.hk/consul/paper/minchange_e.pdf the other proposed Listing Rule amendments. These are to both the Main Board Listing Rules and GEM Listing Rules, as indicated. These amendments implement Phase 2 and remove the requirement in the Main Board Listing Rules for Main Board issuers to publish announcements (whether short-form or full) in the newspapers for the purpose of the Listing Rules, except where, as mentioned in paragraph 31(k) of the Exposure Paper, the issuer does not have its own website. They also implement those aspects of Phase 1 which will continue into Phase 2, e.g. mandatory use of HKEx-EPS for submission of announcements for publication.
3. Some of the proposed amendments are of a consequential or miscellaneous nature. These include the following.

Exceptions to deletion of “in the newspapers”

4. There are also two provisions where we propose to retain publication in the newspapers. They are both to be found in Appendix 3, which prescribes minimum requirements for a listed issuer’s articles of association or equivalent document.
5. Paragraph 13(2) of Appendix 3 to the Main Board Listing Rules requires that, where power is taken to sell the shares of a member who is untraceable it will not be exercised unless:–
 - (i) during a period of 12 years at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed; and
 - (ii) on expiry of the 12 years the issuer gives notice of its intention to sell the shares by way of an advertisement published in the newspapers and notifies the Exchange of such intention.

No change is proposed to be made to this provision. We consider that the persons being targeted by this advertisement may not be or may have ceased to be active investors in the listed issuer. In such cases, newspapers (rather than the Exchange’s website) would be the appropriate place for publication of the advertisement. A similar approach underlies the otherwise largely website-based regime of the GEM Listing Rules. Thus, the existing equivalent GEM provision also requires publication of the advertisement in the newspapers rather than on the GEM website.

6. Paragraph 7(1) of Appendix 3 of the Main Board Listing Rules provides that, where power is taken to give notice by advertisement, such advertisement shall be published in the newspapers. Given that newspapers will no longer be a mandatory requirement, we propose to amend “shall” to “may”. “May” is already the existing wording in the corresponding GEM provision.

Housekeeping – use word “announcement”

7. Announcements which are currently required under the Main Board Listing Rules to be published in the newspapers are not in every case described as announcements. For greater clarity, we propose to amend these provisions to describe them, wherever possible, as announcements which need to be published in accordance with Rule 2.07C (the provision dealing with publication on the Exchange’s website). For example:
 - (a) Rule 13.34(b) – the reference to publishing in the newspapers the findings of an investigation under section 329 of the Securities and Futures Ordinance is amended to a reference to publishing an announcement containing the findings of the investigation in accordance with Rule 2.07C.
 - (b) Rule 13.55(1) – the reference to publishing an advertisement in the newspapers referring to a circular and giving an address or addresses from which copies can be obtained is amended to a reference to publishing an announcement in accordance with Rule 2.07C referring to the circular and giving an address or addresses from which copies can be obtained.
 - (c) Rule 21.12(3) – the reference to publishing a statement of net asset value in the newspapers is amended to a reference to publishing an announcement containing a statement of net asset value in accordance with Rule 2.07C .

Removal of certain requirements on GEM to publish in newspapers

8. We propose to amend certain provisions in the GEM Listing Rules requiring publication in the newspapers to require instead publication on the GEM website where we consider such an amendment to be appropriate. Specifically, these are Rules 31.22 and 31.37 (announcements regarding the availability of certain corporate communications of debt issuers). For further details, please refer to the amendments at http://www.hkex.com.hk/consul/paper/minchange_e.pdf. As there is no transitional short-form announcements regime for GEM, these amendments will take effect on the commencement date of the Main Board Phase 1. However, there have been no listings of debt on GEM to date.

Removal of prohibition against early publication on GEM issuers’ own websites

9. GEM Listing Rule 16.19 currently prohibits the publication of any announcement, notice or other document on an issuer’s own website prior to publication of such document on the GEM website. This may potentially create some issues as the issuer will have to keep checking the GEM website for the publication of the announcement before it can publish on its own website. Therefore, we propose to replace this prohibition with a provision similar to that for Main Board listed issuers (please see paragraph 31(j)), namely that publication on a GEM issuer’s own website should be effected simultaneously with submission of the electronic copy to us for publication on the GEM website and that such publication must in any event be no later than one hour after such submission.

Submission of Prospectuses

10. Where a prospectus is to be registered under the Companies Ordinance, Rule 2.07C of the Main Board Listing Rules currently requires an electronic copy of the prospectus to be submitted to us by 9.00 a.m. on the day of registration. The issuer is also required to provide to us written confirmation of such registration accompanied by a copy of the letter from the Companies Registry confirming the registration. Upon receipt of the issuer's written confirmation, the prospectus would then be published on our website. Registration of the prospectus usually takes place in the afternoon. The purpose of the 9.00 a.m. deadline was to give ISD time to check that the electronic copy of the prospectus, being usually a large document, has been correctly formatted and indexed. Such checking is not an essential part of the publication process, since it is ultimately the responsibility of the issuer to ensure that the electronic copy is in a ready-to-publish format. We therefore propose to amend the Rule so as not to require (or indeed, permit) submission of the electronic copy for publication until the issuer has received the letter from the Companies Registry confirming registration of the prospectus. Submission of the electronic copy to us for publication on our website would need to be at the same time as the prospectus is sent to shareholders by the listed issuer or, in the case of a new applicant, distribution of the prospectus to the public commences. The issuer would also need promptly to submit to us a copy of the letter from the Companies Registry for our records. We propose to make a corresponding change to the GEM Listing Rules.

AGM notices

11. Rule 13.37 of the Main Board Listing Rules currently requires a notice of annual general meeting to be published in the newspapers but does not set a deadline for publication. We propose to require it to be published on our website on the same day as it is otherwise given to those entitled to receive it. This is the deadline stipulated in Rule 17.44 of the GEM Listing Rules for every notice of general meeting.

Share repurchases

12. Rule 10.06(4) of the Main Board Listing Rules requires an issuer to report share repurchases to us. Since the information in these repurchase reports is published on the Exchange's website, we propose to require that such repurchases be submitted to us through HKEx-EPS. As share repurchase reports are not announcements as such, we consider it appropriate to retain the current reporting deadline of "not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the business day following" the repurchase. Corresponding consequential changes are also proposed to be made to the GEM Listing Rules.

Structured products

13. The listing of structured products is dealt with in Chapter 15A of the Main Board Listing Rules. The relevant Listing Agreement is set out in part H of Appendix 7. (The GEM Listing Rules do not provide for the listing of structured products.) Since early 2002, the Main Board Listing Rules have already effectively provided for web-only news dissemination for structured products and all issuers of structured products have been using HKEx-EPS to submit documents to us for publication. We do not propose to make any changes to the provisions in the Main Board Listing Rules relating to structured products.

Housekeeping – general principles for announcements and corporate communications

14. We also propose to make a housekeeping amendment to Rule 2.13 of the Main Board Listing Rules. This Rule sets out certain general principles (relating to e.g. accuracy and completeness of information) to which “any announcement, listing document or circular” must have regard. So as to broaden the ambit of the Rule, we propose to replace “any announcement, listing document or circular” with “any announcement or corporate communication”. “Corporate communications” covers a much wider range of documents, including annual and interim reports. We propose to make the same change to the GEM equivalents, Rules 17.56 (equity securities) and 31.20 (debt securities).

Where listing document issued – hard copies of newspaper announcements no longer required

15. The Main Board Listing Rules currently require from an issuer hard copies of certain newspaper announcements in cases where a listing document is issued (e.g. Rules 9.16 and 24.14). There are similar provisions in the GEM Listing Rules (e.g. Rules 12.26, 12.27, 28.16 and 30.28) qualified with the words “if any” (i.e. where the GEM issuer has decided to publish a document in the newspapers even though such publication is not mandatory). Since the Exchange’s website and GEM website have a full record of issuers’ regulatory announcements, we no longer consider such hard copies to be necessary.

Carve-out for rule 13.10 announcements

16. The requirement to publish a short-form announcement during Phase 1 and the requirement to publish the full announcement in the newspapers if the issuer does not have its own website will not apply to those announcements issued under Rule 13.10 of the Main Board Listing Rules (formerly “paragraph 39.2 announcements”) in response to share price or turnover movements (or the structured products equivalent – paragraph 26 of part H of Appendix 7 to the Main Board Listing Rules).

APPENDIX E — HEADLINE CATEGORIES FOR USE WITH REGULATORY ANNOUNCEMENTS AND OTHER DOCUMENTS

The following documents are submitted by issuers for publication on our website as listed companies information

Required under Listing Rules

Equity

1. Headline Categories for Announcements and Notices (as set out in Schedule 1)
2. Headline Categories for Circulars (as set out in Schedule 2)
3. Headline Categories for Listing Documents (as set out in Schedule 3)
4. Headline Categories for Financial Statements (as set out in Schedule 4)
5. Headline Category – Share Buyback Reports
6. Headline Category – Proxy Forms
7. Headline Category – Company Information Sheet (GEM)
8. Headline Category – Monthly Returns

Debt and Derivatives

9. Headline Categories for Debt and Derivatives (as set out Schedule 5)

Others

10. Headline Category – Others

Not possible to classify. Examples include reply slips, letters to shareholders and forms of acceptance.

Schedule 1
Headline Categories for Announcements and Notices

Connected Transactions
Auditors Unable to Confirm Matters relating to Continuing Connected Transaction
Change in Classification of Connected Transaction relating to Option
Connected Transaction
Continuing Connected Transaction
Continuing Transaction Becoming Continuing Connected Transaction
Guaranteed Net Tangible Assets
Guaranteed Profits
INEDs Unable to Confirm Matters relating to Continuing Connected Transaction
Proposed Transaction Subsequently Becoming Connected Transaction
Waiver in respect of Connected Transaction
Contracts
Agreement
Alliance
Breach of Loan Agreement
Change in Information regarding Previously Announced Option
Contract
Exercise of Option
Joint Venture
Letter of Intent Signed
Loan Agreement with Specific Performance Covenant
Transfer of Option
Corporate Positions and Committees/Corporate Changes
Amendment of Constitutional Documents
Appointment of INED Failing to Meet Guidelines
Change in Agent for the Service of Process in Hong Kong
Change in Auditors
Change in Class Rights
Change in Compliance Adviser
Change in Compliance Officer
Change in Directors
Change in Financial Year End
Change in Qualified Accountant
Change in Registered Address or Office
Change in Registered Place of Business in Hong Kong
Change in Secretary

Change in Supervisors
Change of Audit Committee Member
Change of Name
Non-compliance with Audit Committee Requirements
Non-compliance with Compliance Officer Requirements
Non-compliance with INED Requirements
Non-compliance with Qualified Accountant Requirements
Financial Information
Advance to an Entity
Date of Board Meeting
Delay in Results Announcement
Final Results
Financial Assistance to Affiliated Company
Guarantee to Affiliated Company
Interim Results
Net Asset Value
Profit Warning
Quarterly Results
Results of a Major Subsidiary
Revision of Information in Published Preliminary Results
Meetings/Voting
Change of Voting Intention
Material Information after Issue of Circular
Nomination of Director by Shareholder
Notice of Annual General Meeting
Notice of Extraordinary General Meeting
Notice of Special General Meeting
Re-election or Appointment of Director subject to Shareholders' Approval
Results of Annual General Meeting
Results of Extraordinary General Meeting
Results of Special General Meeting
Results of Voting by Poll
New Listings (Listed Issuers/New Applicants)
Allotment Results
Formal Notice
Listing of Securities by way of Introduction
Striking Price
Supplemental Information regarding Initial Public Offering

Notifiable Transactions
Change in Classification of Notifiable Transaction relating to Option
Confidentiality in respect of Proposed Notifiable Transaction not Maintained
Delay in Completion
Discloseable Transaction
Major Transaction
Reverse Takeover
Share Transaction
Termination of Transaction
Variation to Terms
Very Substantial Acquisition
Very Substantial Disposal
Reorganisation/Change in Shareholding/Major Changes/Public Float/Listing Status
Announcement by Offeree pursuant to Takeovers Code
Announcement by Offeror pursuant to Takeovers Code
Cancellation of Listing
Change in Controlling Shareholder
Change in Substantial Shareholder
Change of Domicile
Charging or Pledging of Shares by a Controlling Shareholder
Charging or Pledging of Shares by a Initial
Management Shareholder
Charging or Pledging of Shares by a Significant Shareholder
Charging or Pledging of Shares by a Substantial Shareholder
Fundamental Change in Principal Business Activities following Listing
Group Restructuring
Lack of Open Market in Securities or Concentration of Shareholding
Listing on Overseas Exchange
Possible Change in Shareholding
Privatisation
Rescue
Resumption
Sale or Disposal of Securities by Director during Black-out Period under Model Code
Scheme of Arrangement
Spin-off
Stage of Delisting
Sufficiency of Assets
Sufficiency of Operations
Sufficiency of Public Float
Suspension

Winding Up and Liquidation of a Major Subsidiary
Winding Up and Liquidation of Issuer
Withdrawal of Listing of Securities
Securities/Share Capital
Adjustment to Exercise Price of Convertible Securities
Adjustment to Exercise Price of Options
Capital Reorganisation
Capitalisation Issue
Change in Board Lot Size
Change in Rights attaching to Securities
Change in Terms of Securities
Change of Book Closure Period
Change of Dividend Payment Date
Closure of Books
Consideration Issue
Conversion of Securities
Dividends or Distribution
Extension of Currency of Temporary Documents of Title
Intention to Sell Shares of Untraceable Member
Issue of Convertible Securities
Issue of Debt Securities
Issue of Preference Shares
Issue of Shares under a General Mandate
Issue of Shares under a Specific Mandate
Issue of Warrants
Movements in Issued Share Capital
Open Offer
Refreshment of General Mandate
Rights Issue
Scrip Dividend
Share Option Scheme
Temporary documents of title – Notice relating to issue of letters of regret
Top-up Placing
Trading Arrangements (other than Change in Board Lot Size)
Miscellaneous
Arrangements to Ascertain Language Preference
Clarification of News or Reports
Delay in Dispatch of Circular
Further Announcement
Listing of Securities by way of Introduction
Matters relating to collective investment schemes

Miscellaneous Announcement
Overseas Regulatory Announcement
Price-Sensitive Matter
Unusual Price/Turnover Movements

Schedule 2
Headline Categories for Circulars

Connected Transaction
Connected Transaction
Continuing Connected Transaction
Proposed Transaction Subsequently Becoming Connected Transaction
Corporate Positions and Committees/Corporate Changes
Amendment of Constitutional Documents
Change in Directors
Meetings/Voting
Change of Voting Intention
Material Information after Issue of Circular
Nomination of Director by Shareholder
Re-election or Appointment of Director subject to Shareholders' Approval
Notifiable Transactions
Discloseable Transaction
Fundamental Change in Principal Business Activities
Major Transaction
Reverse Takeover
Share Transaction
Very Substantial Acquisition
Very Substantial Disposal
Reorganisation/Change in Shareholding/Major Changes/Public Float/Listing Status
Change of Domicile
Group Restructuring
Listing on Overseas Exchange
Privatisation
Proposal to Explore for Natural Resources as Extension to or Change from Existing Activities
Rescue
Scheme of Arrangement

Document issued by Offeree pursuant to Takeovers Code
Document issued by Offeror pursuant to Takeovers Code
Spin-off
Withdrawal of Listing of Securities
Securities/Share Capital
Capital Reorganisation
Capitalisation Issue
Change in Terms of Securities
Exchange or Substitution of Securities for or Conversion of Securities into other Class of Securities
Explanatory Statement for Repurchase of Shares
General Mandate
Issue of Convertible Securities
Issue of Debt Securities
Issue of Preference Shares
Issue of Securities within 6 Months of Listing
Issue of Shares
Issue of Warrants
Open Offer
Rights Issue
Scrip Dividend
Share Option Scheme
Share Repurchase Mandate
Top-up Placing
Miscellaneous
Matters relating to collective investment schemes
Other

Schedule 3
Headline Categories for Listing Documents

Application for Lifting of Suspension by Cash Company
Capitalisation Issue
Deemed New Listing under the Listing Rules
Exchange or Substitution of Securities
Introduction
Listing of Interests in Authorised Collective Investment Scheme
Offer for Sale
Offer for Subscription
Open Offer
Placing of Securities of a Class New to Listing
Reverse Takeover
Rights Issue
Supplementary Listing Document
Other

Schedule 4
Headline Categories for Financial Statements

Annual Report
Half-Year Report (GEM)
Interim Report (Main Board)
Quarterly Report

Schedule 5
Headline Categories for Debt and Derivatives

Trading Summary of Derivative Warrants
Pre Listing Trading Report
Daily Trading Report
Warrant Announcements
Launch Announcement
Expiry Announcement
Exotic Announcement
Warrant Listing Documents
Base Listing Document
Supplemental Listing Document
Debt Securities Announcement
Formal Notice
Overseas Regulatory Announcement
Others
Debt Securities Offering Circular and Pricing Supplement
Debt Securities Prospectus
Issuer-Specific Report

APPENDIX F — SUSPENSION FLOW CHART



