

Applicant	Background and Decision
<p>Company A (MB applicant) (2005)</p> <p>Rule reference: MB Rule 8.05(1)(b); Paragraph 2 of MB Practice Note 3</p>	<p><i>Background</i></p> <ol style="list-style-type: none"> 1. Shareholder X replaced Shareholder Y as the major shareholder of Company A in the first year of the trading record period. The change in ownership had also caused major changes in the composition of the board of directors. 2. Mr. Q, a director of Company A, had been responsible for the business, strategy and operational management of Company A during the trading record period and up to the time of listing (the “Relevant Period”). Except for Mr. Q, no other director had remained on the board throughout the Relevant Period. 3. At the second tier of management, an identified group of senior officials (the “Management Committee”) remained largely unchanged throughout the Relevant Period. The Management Committee had been responsible for the daily management of Company A, including carrying out the decisions of the board conveyed through Mr. Q. 4. Apart from Mr. Q, all other directors were non-executive directors and did not interfere with the management and operational decisions of the core management group which consisted Mr. Q and the Management Committee. <p><i>Decision</i></p> <ol style="list-style-type: none"> 5. The management continuity requirement was satisfied because the management of Company A had been carried out through the core management group comprising Mr. Q, the only executive director, and the Management Committee throughout the Relevant Period.
<p>Company B (MB applicant) (2006)</p> <p>Rule reference: MB Rule 8.05(1)(b); Paragraph 2 of MB Practice Note 3</p>	<p><i>Background</i></p> <ol style="list-style-type: none"> 1. Company B held more than 30 subsidiaries, of which five were identified as key operating subsidiaries. 2. More than half of the executive directors and substantially all of the senior management members of Company B had held senior management positions in or had managed the operations of the key operating subsidiaries throughout the Relevant Period. 3. At least half of the executive directors of each of the key operating subsidiaries were executive directors or senior managers of the respective key operating subsidiaries throughout the Relevant Period. <p><i>Decision</i></p> <ol style="list-style-type: none"> 4. The management continuity requirement was satisfied because the core management group, being the executive directors and senior management members of Company B and the key operating subsidiaries who were most relevant to the trading record results of Company B, had continued to serve Company B and its respective key operating subsidiaries throughout the Relevant Period.

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<p data-bbox="164 259 323 394">Company C (MB applicant) (2006)</p> <p data-bbox="164 434 323 703">Rule reference: MB Rule 8.05(1)(b); Paragraph 2 of MB Practice Note 3</p>	<p data-bbox="363 259 517 293"><i>Background</i></p> <ol data-bbox="363 338 1455 786" style="list-style-type: none"> <li data-bbox="363 338 1455 439">1. During the trading record period, the group was reorganised and Company C became the group's holding company, while the principal business of the group was carried out by Subsidiary C. <li data-bbox="363 479 1455 613">2. Mr. X was the only executive director that remained on the board of directors of Company C throughout the Relevant Period, while Mr. X and his wife were the only executive directors of Subsidiary C that remained as executive directors up to the time of listing. <li data-bbox="363 654 1455 786">3. Mr. X was also the founding member, chairman, legal representative and general manager of the group throughout the Relevant Period. He was responsible for the overall management and strategic development with the assistance of other directors and senior managers. <p data-bbox="363 826 475 860"><i>Decision</i></p> <ol data-bbox="363 900 1455 1023" style="list-style-type: none"> <li data-bbox="363 900 1455 1023">4. The management continuity requirement was satisfied because the significant responsibilities with respect to the group's business operations were bestowed upon Mr. X and that his contributions were proved to have continued throughout the Relevant Period.