

Set out below are relevant extracts of current Exchange Listing Rules marked to show amendments that will become effective on 1 January 2007 subject to the transitional arrangements in Rule 3A.31.

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

...“Compliance Adviser” the same meaning as in rule 3A.01

...“sponsor” any corporation or authorised financial institution, licensed or registered under the Securities and Futures Ordinance for Type 6 regulated activity and permitted under its licence or certificate of registration to undertake work as a sponsor ~~under applicable laws to advise on corporate finance matters and, as applicable, which is appointed as a sponsor by a new applicant under~~ pursuant to rule 3A.02

2A.10 The sanctions in rule 2A.09 may be imposed or issued against any of the following:

- (a) a listed issuer or any of its subsidiaries;
- (b) any director of a listed issuer or any of its subsidiaries or any alternate of such director;
- (c) any member of the senior management of a listed issuer or any of its subsidiaries;
- (d) any substantial shareholder of a listed issuer;
- (e) any professional adviser of a listed issuer or any of its subsidiaries;
- (f) [Repealed 1 January 2007] any sponsor of a listed issuer or a new applicant;
- (g) any authorised representative of a listed issuer;
- (h) any supervisor of a PRC issuer;
- (i) [Repealed 1 January 2007] any Compliance Adviser appointed by a listed issuer; and
- (j) any independent financial adviser of a listed issuer.

For the purposes of this rule “professional adviser” includes any financial adviser, lawyer, accountant, property valuer or any other person retained by an issuer to provide professional advice in relation to a matter governed by the Exchange Listing Rules. It does not include sponsors or Compliance Advisers.

2A.36 The Listing Appeals Committee shall be the review body in respect of any decision of the Listing Committee on any of the following matters:—

- (1) [Repealed 1 January 2007] that a sponsor is not acceptable under rule 3.01;
- (2) that the role of an authorised representative appointed under rule 3.05 must be terminated;

- (3) that an application for listing by a new applicant has been rejected solely on the grounds that the issuer or its business is unsuitable for listing;
- (4) that an application for the lifting of a suspension of dealings in the securities of an issuer has been rejected where the suspension has been in place for more than 30 consecutive days;
- (5) that the listing of a listed issuer be cancelled;
- (6) any decision pursuant to rule 2A.09(2), (3), (5), (7), (8) or (9);or
- (7) that trading in the shares of an issuer be restored pursuant to Rule 6.07 of the Listing Rules.

2B.07 The Listing Appeals Committee shall be the review hearing body in respect of any decision of the Listing Committee or Listing (Review) Committee on any of the following matters:-

- (1) Rejection of a new applicant – unsuitability of listing

Where the Listing Committee rejects the new applicant solely on the ground that the new applicant or its business is not suitable for listing, the new applicant shall have a right to a further review of the application by the Listing (Review) Committee and a further and final review of the application by the Listing Appeals Committee. The Listing Appeal Committee's decision will then be conclusive and binding on the new applicant.

- (2) ~~[Repealed 1 January 2007] Rejection of a sponsor~~

~~(a) — Where the Listing Division decides that a proposed sponsor is not acceptable under Rule 3.01, that proposed sponsor shall have the right to have that decision referred to the Listing Committee for review.~~

~~(b) — Where the Listing Committee endorses, modifies or varies the Listing Division's decision, that proposed sponsor shall have the right to have that decision reviewed by the Listing Appeals Committee, whose decision shall be conclusive and binding on both the new applicant and that proposed sponsor.~~

...

2B.11

...

- (7) At a Listing (Review) Committee or Listing Appeals Committee hearing, the directors of the new applicant or the listed issuer (as the case may be) shall have the right to attend the hearing, to make submissions and to be accompanied by one representative of each of the sponsor, authorised representatives, proposed or otherwise, the financial adviser, the legal adviser and auditors of the new applicant or the listed issuer (as the case may be); a ~~sponsor or~~ authorised representative may be accompanied by ~~its~~his legal adviser.

- (8) In the case of a review hearing sought by a sponsor pursuant to Rule 2B.07(2) or an authorised representative pursuant to Rule 2B.07(3), ~~the sponsor or the authorised representative, as the case may be,~~ shall have the right to attend the review hearing, to make submissions and may be accompanied by one legal adviser.

3A.01 In this Chapter:

- (1) “Compliance Adviser” means any corporation or authorised financial institution ~~acceptable to the Exchange, licensed or registered under the Securities and Futures Ordinance for Type 6 regulated activity and permitted under its licence or certificate of registration under applicable laws to advise on corporate finance matters to undertake work as a sponsor and, as applicable, which is appointed pursuant to rule 3A.19 or rule 3A.20 to undertake work as a Compliance Adviser;~~

...

- 3A.02** A new applicant must appoint a sponsor to assist it with its initial application for listing. ~~The sponsor must be acceptable to the Exchange.~~

- 3A.19** A listed issuer must appoint a Compliance Adviser for the period commencing on the date of initial listing of the listed issuer’s equity securities and ending on the date on which the listed issuer complies with rule 13.46 in respect of its financial results for the first full financial year commencing after the date of its initial listing. ~~The Compliance Adviser must be acceptable to the Exchange.~~

Miscellaneous

- 3A.29** If a Compliance Adviser resigns or its engagement is terminated, a listed issuer must, as soon as practicable, publish an announcement, in accordance with rule 13.51(6), and make arrangements to replace the Compliance Adviser pursuant to rule 3A.27. Immediately after a replacement Compliance Adviser has been appointed, the listed issuer must inform the Exchange and publish a further announcement.

Note: Refer to rules 3A.26 and 3A.27 regarding circumstances in which the termination or resignation of a Compliance Adviser is permitted.

- 3A.30** If the licence or registration of a sponsor or a Compliance Adviser is revoked, suspended, varied or restricted such that it is no longer permitted to undertake work as a sponsor or a Compliance Adviser, respectively, the sponsor or Compliance Adviser, as applicable, must immediately inform each of the issuers for which it acts as sponsor or Compliance Adviser.

- 3A.31** This Rule sets out transitional arrangements with regard to the regulation of sponsors and Compliance Advisers for the purpose of these Exchange Listing

Rules. It shall cease to have effect on such date as the Exchange may determine and promulgate.

For the purposes of this Rule:

“old Rules” means the Exchange Listing Rules as they were on 31 December 2006;

“new Rules” means the Exchange Listing Rules as they were on 1 January 2007 i.e. incorporating update number 84;

“pending disciplinary case” means those cases where:

- (1) the Listing Division has sent a report to the Listing Committee identifying conduct and asking for the deployment of the Listing Committee’s powers under Rule 2A.09 of the old Rules; and
- (2) the matter has not yet been finally determined by the delivery of a written decision by the Listing Committee or, as applicable, the Listing Appeals Committee and the publication of any announcement required by that final decision;

“pending non-disciplinary case” means those cases which the Executive Director – Listing may in his absolute discretion determine on a case by case basis.

All pending disciplinary cases and all pending non-disciplinary cases involving sponsors or Compliance Advisers commenced under the old Rules which have not been disposed of on 1 January 2007 are to continue and be disposed of as if the new Rules had not replaced the old Rules.

13.51 An issuer shall inform the Exchange immediately of any decision made and publish an announcement in the newspapers as soon as practicable in regard to:—

...

- (4) any change in its auditors or financial year end, the reason(s) for the change and any other matters that need to be brought to the attention of holders of securities of the issuer (including, but not limited to, information set out in the outgoing auditors’ confirmation in relation to the change in auditors); ~~and~~

Note: The issuer must state in the announcement whether the outgoing auditors have provided a confirmation that there are no matters that need to be brought to the attention of holders of securities of the issuer. If no such confirmation has been provided, the announcement must state the reason for this.

- (5) any change in its secretary, share registrar (including any change in overseas branch share registrar) or registered address or where applicable, agent for the service of process in Hong Kong or registered office or registered place of business in Hong Kong; and

Note: The new secretary must fulfil the requirements of rule 8.17.

- (6) any change in its Compliance Adviser.

Note: Refer to rule 3A.29.

Appendix 5: Forms Relating to Applications for Listing, Advance Booking Form (For Equity and Debt Securities) Form A1

...

NOTES

...

Note 4: If insufficient space is provided for completion of any paragraph, additional information may be entered on a separate sheet of paper, duly signed and attached.

Note 5: To the extent that this form is required to be signed on behalf of the sponsor, the Exchange expects that it would usually be signed by the Principal/s who has/have been most actively involved in the work undertaken by the sponsor. However, notwithstanding who signs this form on behalf of the sponsor, the Management (as defined in the Commission's Guidelines for Sponsors and Compliance Advisers) of the sponsor will be ultimately responsible for supervision of the work carried out by the sponsor firm and quality assurance in respect of that work. The Exchange reminds sponsors of their obligations to have effective internal systems and controls and proper supervision and oversight including but not limited to those obligations under the Commission's Guidelines for Sponsors and Compliance Advisers.

IMPORTANT

Note 56: In order to maintain an orderly new issues market the Exchange reserves the right to refuse an advance booking if there are too many existing reservations in the relevant period.

Appendix 5: Declaration and Undertaking with regard to Directors, Form B

NOTES:

...

(9) To the extent that this form is required to be signed by the sponsor, the Exchange expects that it would usually be signed by the Principal/s who has/have been most actively involved in the work undertaken by the sponsor. However, notwithstanding who signs this form on behalf of the sponsor, the Management (as defined in the Commission's Guidelines for Sponsors and Compliance Advisers) of the sponsor will be ultimately responsible for supervision of the work carried out by the sponsor firm and quality assurance in respect of that work. The Exchange reminds sponsors of their obligations to have effective internal systems and controls and proper supervision and oversight including but not limited to those obligations under the Commission's

Guidelines for Sponsors and Compliance Advisers.

...

Part 3

SPONSOR'S CERTIFICATION

...

We,, are the sponsor for the issuer appointed for the purpose referred to in Rule ~~3.04~~–3A.02 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and have offices located at. We hereby certify ...

...

Appendix 5: Formal Application (For Equity Securities), Form C1

...

Note 5 This form must be signed, in the case of a new applicant, by the sponsor and by a duly authorised officer of the issuer and in the case of a listed issuer, by a duly authorised officer of the issuer. To the extent that this form is required to be signed by the sponsor, the Exchange expects that it would usually be signed by the Principal/s who has/have been most actively involved in the work undertaken by the sponsor. However, notwithstanding who signs this form on behalf of the sponsor, the Management (as defined in the Commission's Guidelines for Sponsors and Compliance Advisers) of the sponsor will be ultimately responsible for supervision of the work carried out by the sponsor firm and quality assurance in respect of that work. The Exchange reminds sponsors of their obligations to have effective internal systems and controls and proper supervision and oversight including but not limited to those obligations under the Commission's Guidelines for Sponsors and Compliance Advisers.

Appendix 19: Sponsor's Declaration

...

Notes: (1) The Exchange expects that usually this form would be signed by the Principal/s who has/have been most actively involved in the work undertaken by the sponsor. However, notwithstanding who signs this form on behalf of the sponsor, the Management (as defined in the Commission's Guidelines for Sponsors and Compliance Advisers) of the sponsor will be ultimately responsible for supervision of the work carried out by the sponsor firm and quality assurance in respect of that work. The Exchange reminds sponsors of their obligations to have effective internal systems and controls and proper supervision and oversight including but not limited to those obligations under the Commission's Guidelines for Sponsors and Compliance Advisers.

(2) Each and every director of the sponsor firm, and any officer or

representative of the sponsor firm supplying information sought in this form, should note that this form constitutes a record or document which is to be provided to the Exchange in connection with the performance of its functions under “relevant provisions” (as defined in Part 1 of Schedule 1 to the Securities and Futures Ordinance, Cap 571) and is likely to be relied upon by the Exchange. In relation to this, you should be aware that giving to the Exchange any record or document, which is false or misleading in a material particular, will render relevant persons liable for prosecution for an offence under subsection 384(3) of the Securities and Futures Ordinance. If you have any queries you should consult the Exchange or your professional adviser immediately.