

**Linklaters' Response in respect of
the Consultation Paper on Proposed Changes to Filing and Checklist
Requirements for Listing of Equity Securities (the "Consultation Paper")**

1. General Comments

We fully support the Stock Exchange's proposal to reduce the number of documents to be submitted in relation to new listing applications. We agree that this is a move in the right direction as the present requirement of submitting 5, 10 and 20-day documents has created, in our view, unnecessary workload and occasionally confusion for issuers and sponsors.

We also welcome the proposal to remove provisions in the Listing Rules which treat H-share issuers differently from issuers incorporated in other jurisdictions. The legal and regulatory standards in the PRC have developed significantly since the 1990s when the first batch of H-shares were listed in Hong Kong. Some of the existing requirements in the Listing Rules which aim to ensure an equivalent investor protection/regulatory standards between H-share and other issuers have become redundant over time. Accordingly, we support the Stock Exchange's continuous review of the Listing Rules to ensure a level playing field for all issuers.

Our specific comments on the Consultation Paper are set out below.

2. Specific Comments

(i) Advance Booking Documents

Rule 9.11(3) (Waiver Application)

The current practice is that all initial listing waiver applications must be made to the Listing Division before the Listing Committee hearing. While we do not have any objection to the proposal of submitting all waiver applications to the Listing Division at the outset upon submission of the Form A1 application, it would be most helpful if the Stock Exchange could confirm or indicate whether implementation of the proposal would preclude an issuer from making further waiver applications after submission of the Form A1. We believe that the flexibility of allowing issuers to submit waiver applications after the submission of the Form A1 is important as it is possible that issues might crop up only after the initial listing application has been made (e.g. waiver relating to the marketing of securities).

(ii) 20-Day documents

Rule 19A.06(2) submission

Currently, Rule 19A.22(1) requires that four copies of the sponsor's submission referred to in Rule 19A.06(2) be filed with the Stock Exchange. We understand that this requirement is proposed to be removed on the basis that it is "already covered in the sponsor's declaration" (c/o Appendix II of the Consultation Paper on page II-2) which, we assume, refers to the declaration to be given by a sponsor pursuant to Rule 3A.13.

It would be helpful if the Stock Exchange could clarify that removal of the requirement under Rule 19A.22(1) would or would not result in any changes to the Rule 3A.13 sponsor's declaration. We raise this issue because Rule 19A.06(2), as drafted, is more specific than the declaration required under Rule 3A.13. At present, submissions made pursuant to Rule 19A.06(2) are usually made with a number of bases supporting the

sponsor's confirmation; and we do not think that extending the Rule 3A.13 declaration to include such confirmation without the ability to include the bases supporting the confirmation would be appropriate.

(iii) 4-Day documents

New Rule 9.11(23)

We note that the requirement in the proposed Rule 9.12(23) is the same as the current requirement under Rule 9.12(3)(a), i.e. the requirement for the new listing applicant to file a written submission "in the form prescribed by the Stock Exchange" from time to time in support of the application for listing. We are not aware of a form prescribed by the Stock Exchange in support of a new listing apart from Form A1. Is there a form that the new Rule 9.12(23) is referring to? If not, it would be helpful to either clarify which is the prescribed form or remove the requirement to avoid confusion.

New Rule 9.11(20)

We suggest that the reference to "Hong Kong legal advisers" in the new Rule 9.11(20) be amended to "legal advisers" because in cases where the issuer is incorporated overseas (e.g. a Caymans Island issuer), the Hong Kong legal advisers of the issuer would not normally be in a position to confirm whether its articles of association are consistent with the laws of its place of incorporation (e.g. Cayman Islands law). We note that the current Rule 13.51(1) (which is the corresponding provision for the requirement under the new Rule 9.11(20)) only applies to the legal advisers, and not the Hong Kong legal advisers, of the issuer.

(iv) Before bulk-printing of prospectus

New Rules 9.11(24) and 9.11(25)

Where the promoter or "other interested party" of a new listing applicant is a limited company or a firm, the new Rule 9.11(24) (which is to replace the existing Rule 9.13(1)) requires a director of the listing applicant to produce a written confirmation confirming the identity of those who control it or are interested in its profits or assets. Further, where a corporate shareholder of a new listing applicant has more than a 5% interest in the applicant, the new Rule 9.11(25) (which is to replace the existing Rule 9.13(3)) requires the applicant to submit a written confirmation signed by a duly authorised officer of each corporate shareholder, giving details of its registered office, directors, shareholders and business.

We respectfully submit that the above requirements should be removed. Under the current Rules 9.13(1) and (3), the requirement to submit the confirmations/declarations mentioned above is subject to the Stock Exchange's discretion; but the new Rules, as drafted, suggest that the requirement would be made mandatory. In our experience, the Listing Division does not normally require such confirmations/declarations be produced. Further, the disclosure requirements under Part XV of the Securities and Futures Ordinance should, we believe, have captured the material interest of a corporate shareholder for market transparency purpose. Therefore, we question whether making the production of the confirmations mandatory under the new Rules would serve any additional regulatory purpose.

In any event, it is not clear what "other interested party" in the new Rule 9.11(24) means. Also, if the new Rule 9.11(25) were to be introduced, we recommend that the threshold referred to in that Rule be increased from 5% to 30% as otherwise, in theory,

an uncooperative corporate shareholder holding a 5.1% interest in a new listing applicant could potentially block the company's IPO application.

Checklist for documents to be submitted before bulk-printing of prospectus (Appendix I.A.)

In Appendix I.A., sponsors are required to provide a confirmation in respect of the date on which it is proposed to register a prospectus. Since the issuer is responsible for the registration of the prospectus, we believe that the issuer should be responsible for informing the Stock Exchange and not the sponsors. This is reflected in the current Rule 11A.09. We respectfully submit that the sponsors should not be required to provide any such confirmation on the basis that it does not add any meaningful value.

Linklaters

August 2009

Linklaters' Response to Questionnaire

1. Do you support our proposals to streamline the filing and checklists requirements for Main Board IPO?
Yes
2. Do you agree with our proposed changes to the A1 Documents on pages I-1 to I-4 of Appendix I?
Yes but see specific comments in paragraph 2(i) above.
3. Do you agree with our proposed changes to the 20-day Documents on pages II-1 to II-4 of Appendix I?
Yes but see specific comments in paragraph 2(ii) above.
4. Do you agree with our proposed changes to the 15-day Documents on pages III-1 to III-3 of Appendix I?
Yes
5. Do you agree with our proposed changes to the 10-day Documents on pages IV-1 to IV-3 of Appendix I?
Yes
6. Do you agree with our proposed changes to the 4-day Documents on pages V-1 to V-7 of Appendix I?
Yes but see specific comments in paragraph 2(iii) above.
7. Do you agree with our proposed changes to the before bulk-printing of prospectus Documents on pages VI-1 to VI-3 of Appendix I?
Yes but see specific comments in paragraph 2(iv) above
8. Do you agree with our proposed changes to the after hearing but before prospectus issuance Documents set out on pages VII-1 to VII-4 of Appendix I?
Yes
9. Do you agree with our proposed changes to the after prospectus issuance but before dealings Documents on pages VIII-1 to VIII-2 of Appendix I?
Yes