

EXPOSURE CONCLUSION

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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INTRODUCTION

1. On 18 November 2005, Hong Kong Exchanges and Clearing Limited (the Exchange) published an Exposure Paper on the “Abolition of Requirement for Main Board Issuers to Publish Paid Announcements in Newspapers and Related Matters”. The Exposure Paper set out in detail our proposals on the way forward. The purpose of the Exposure Paper was 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.
2. The comment period for the Exposure Paper closed on 13 January 2006. We received 35 sets of comments from a total of 40 respondents.
3. The comments received are available on the Exchange’s website at <http://www.hkex.com.hk/consul/response/expopaper.htm>. A profile of the respondents is set out in Appendix A.
4. This report summarises the main comments raised in response to the Exposure Paper and sets out the final conclusions of the Exchange. The Exposure Paper is available on the Exchange’s website at <http://www.hkex.com.hk/consul/paper/expopaper.htm>.
5. We are grateful to all respondents for their contributions to this consultation exercise.

SUMMARY OF RESPONSES

6. The overwhelming majority of respondents expressed support for the abolition of the requirement to publish full announcements in the newspapers. In addition, we received a range of constructive comments on the way forward.
7. In the Exposure Paper, we proposed that the total abolition of the requirement for Main Board issuers to publish announcements in the newspapers for the purpose of the Listing Rules should be preceded by a transitional period. During this transitional period (Phase 1), Main Board issuers would be required to publish a short-form announcement in the newspapers, instead of the full version of the announcement which would be posted on the Exchange's website and the issuer's own website.
8. The purpose of the transitional period is to prepare the market for the total abolition of paid announcements in the newspapers as a means of news dissemination for the purpose of the Main Board Listing Rules.
9. The Exchange believes that the abolition of the requirement to publish paid announcements in newspapers and the introduction of news dissemination-related enhancements will benefit the market as a whole. In particular, the electronic dissemination of issuers' Listing Rules-related announcements through the Exchange's website, a single, official, centralised location that can be easily accessed by both local and overseas investors, will bring the Exchange into line with other leading international equity markets.
10. The abolition of the paid announcement requirement will also lay the foundation for a news dissemination model (being considered for the medium term) whereby issuers' announcements are released at any time during the day, including during trading hours, and the majority of announcements are not vetted prior to their release. Such a model will facilitate the full and timely disclosure of price-sensitive information, as well as reduce the incidence of trading suspensions, thereby contributing to enhanced investor confidence in the Hong Kong market.

11. The views of the 40 respondents are as follows:

Support overall proposal to abolish paid announcement requirement	36
Against proposal to abolish paid announcement requirement	4
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	40
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12. Those that support overall proposal to abolish paid announcement requirement have expressed the following views with regard to the appropriate form of the short-form announcement during the transitional period:

Favour notifications	19
Favour summary announcements	4
Favour Exchange itself publishing a list in newspapers	1
Do not support a transitional period, i.e. favour neither notifications or summary announcements	9
No preference expressed as to whether it favoured notifications or summary announcements for the transitional period	3
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	36
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Responses to 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?”

13. We received some suggestions as to how the drafting might be improved so as to provide for greater clarity and avoid ambiguity. Such comments have been considered and, where appropriate, adopted.
14. In addition, a number of other comments were expressed both in areas directly relating to, and in areas outside the scope of, the market views being sought in the current exposure exercise as described in paragraph 1 above. Comments extending beyond this scope are noted and, where appropriate, will be held over for further consideration at a later stage, e.g. the suggestion that we move towards a post-vetting regime for documents.

Responses to 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?”

15. The issue is whether the short-form announcement should be a summary of the contents of the full announcement or whether the short-form announcement should simply serve to notify investors of the publication of an announcement on the Exchange’s website and issuer’s website (this would be a notification).
16. Of those respondents expressing a preference for either a notification or summary announcement (regardless of whether they support the abolition of the requirement to publish full announcements in the newspapers or a transitional period), a significant majority (approximately 62%) favour a notification and approximately 18% favour a summary announcement. The balance did not express a preference.

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

17. In the Exposure Paper, we proposed a transitional period of approximately nine months for Phase 1.
18. Respondents’ views on the implementation timetable can be summarised as follows:

Support immediate abolition of paid announcement requirement	9
3-6 months or 6 months	11
9 months, 9 months-1 year or 1 year	9
No specific length or parameters suggested for transitional period	7
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Note: Four respondents do not support the abolition of the paid announcement requirement.

GENERAL COMMENTS

19. We set out below in general terms the nature of the comments received together with our responses. It is intended to give a general overview of the major comments received rather than a detailed and exhaustive commentary.
20. Where appropriate, we have modified areas of our original proposal as set out in the Exposure Paper so as to reflect respondents' views, address their concerns and/or provide further clarity.

Grouping notifications together in the same newspaper

21. A view was expressed that (if the short-form announcement to be published in the newspapers during the transitional period is to take the form of a notification) notifications in the same newspaper should be grouped together under one banner for ease of reference. This would be to the convenience of investors and this format would be more cost efficient for issuers as it would allow them to supply the newspaper with just the name of the issuer, its website address and one or two sentences covering the nature of the transaction or subject matter.
22. While we understand the possible cost benefit to issuers and added convenience for readers, such an arrangement would not be operationally possible as the Exchange does not regulate nor otherwise exercise any control or significant influence over the newspapers. We will convey the respondents' comments to the major newspapers so that they may wish to consider publishing notifications in one place. We will also express to them our view that some issuers may be adverse to the publication of their notifications in newspapers which do not adopt such a publication policy.
23. One respondent suggested that the Exchange should publish a daily list in multiple English and Chinese language newspapers of company announcements or distributions, by company name in alphabetical order and with the topic of the announcement or distribution. (The wording of the "topic" can be under the Exchange's control to ensure that it is informative but not misleading). The respondent considers that this would be an improvement on the present arrangements where listed companies need only use one of each. The list should be published on the Exchange's website on an easily bookmarked page. In addition to the above key fields, the web address of the full announcement or distribution should also be given.
24. We note that there are practical difficulties and other drawbacks to this proposal and we do not propose to implement this suggestion. In particular, we note that it would not be possible for the Exchange to compile such a list for publication in the newspapers that would be complete. The cut-off time for submission of announcements for publication on the Exchange's website will be 11:00 p.m. and such a list could only be compiled after 11:00 p.m. when the Exchange has received all the announcements for publication. The list (both English and Chinese) would then have to be sent to the printer for typesetting and checking and final approval by Exchange staff. There are also deadlines imposed by the newspapers that have to be met. Furthermore, we will accept the following morning between 6:00 a.m. and 9:00 a.m. announcements for publication which were supposed to have been submitted to the Exchange for publication the evening before (though trading in the shares of the issuer might need to be suspended for half a day). The Exchange would therefore not be able to include in the list published in the newspapers any announcement submitted to the Exchange during this morning period. A potentially incomplete list would be of limited value and could be misleading.
25. In other major financial centres, dissemination of issuers' regulatory news is generally web-based only.
26. Any investor can make use of the Exchange's free alert service referred to in paragraph 79 to obtain alerts on announcements relating to stocks in his portfolio.

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27. A list of the latest announcements and other documents published by issuers on the Exchange's website is currently available on the Exchange's website under "Latest Listed Companies Information". The list can be viewed in chronological or alphabetical order.

Every issuer should be required to have its own website

28. Under the proposal set out in the Exposure Paper, an issuer would not be required to have its own website. However, a Main Board issuer without its own website must publish the full announcement in the newspapers. A view was expressed that every issuer should be required to have its own website on which it would be required to publish the full announcement.
29. The advantage of an issuer having its own website is that, in addition to the Exchange's website, there will be another website where all the issuer's regulatory documents can be found. This would also act as an alternative database in the unlikely event of a failure on the Exchange's website or other adverse contingency.
30. We have therefore incorporated into the Rule amendments a requirement that every issuer must have its own website. For the purposes of this requirement, the issuer's website does not need to be hosted on a domain owned or directly operated by the issuer. The issuer's website may be hosted on a third-party domain so long as the website is assigned a dedicated location on the Worldwide Web and the website may be maintained by third-party providers. The public must be able to access documents on the website free of charge.
31. As at 31 March 2006, 439 Main Board issuers (representing approximately 46.7% of all Main Board issuers as at that date) had hyperlinks on the Exchange's website. (This figure is not exhaustive as issuers' website addresses are provided to the Exchange on a voluntary basis.) This means that up to approximately 53.3% (501) Main Board issuers will need to set up their own websites. As at 17 March 2006, 111 Growth Enterprise Market (GEM) issuers (representing approximately 54.7% of all GEM issuers as at that date) had hyperlinks on the GEM website. (Again, this figure is not exhaustive as issuers' website addresses are provided to the Exchange on a voluntary basis.) This means that up to approximately 45.3% (92) GEM issuers will need to set up their own websites. Based on the web address descriptions, it appears that only a small number of these websites are hosted on a third-party domain.
32. We understand that the initial set-up cost of a website should be no more than approximately \$100,000 and that the cost of ongoing maintenance should be in the range of \$1,000 to \$10,000 per year. We believe that this cost will be more than offset by the savings in the cost of publishing paid announcements in the newspapers.
33. So as to give issuers sufficient time to comply, this requirement will not take effect until one year after the commencement of Phase 1. A Main Board issuer which does not have its own website will, before the requirement for all issuers to have their own websites becomes effective, be required to publish its Listing Rule announcements in the newspapers in addition to publication on the Exchange's website. Upon the requirement becoming effective, a Main Board or GEM issuer which does not have its own website will be in breach of the Listing Rules.

Deadline for publication on Exchange's website

34. A view was expressed that the proposed deadline for submission of an announcement for publication on the Exchange's website by a Main Board issuer should be extended further from 11:00 p.m. to 9:00 a.m. of the following business day.
35. We propose to maintain the new submission deadline at 11:00 p.m. for Main Board issuers. Our proposal in paragraphs 56 to 61 and Appendix F of the Exposure Paper already caters for next day submission between 6:00 a.m. and 9:00 a.m., but at the issuer's own risk of suspension for at least half a day as sufficient time must be given to investors to consider the published information.
36. A view was also expressed that it would be difficult to meet the requirement to submit to us by 11:00 p.m. both the English and Chinese versions for publication on our website and that the submission deadline for the Chinese version should be extended to 12:00 p.m..
37. We do not consider that it would be desirable to extend the submission deadline beyond 11:00 p.m. for either language.
38. In the interim, we are continuing to explore ways to reduce the categories of announcements which require our pre-vetting. Such a reduction should in turn facilitate the meeting of the 11:00 p.m. submission for publication deadline by issuers.

Deadline for publication on issuer's own website

39. In the Exposure Paper, we proposed that an issuer should be required to publish on its own website an announcement or any other document within 1 hour of submission of that document to us for publication on our website. This meant that, where a Main Board issuer submitted a document to us for publication on our website by 11:00 p.m., that document would have to be published on the issuer's own website by 12:00 p.m. the same evening.
40. A view was expressed that the requirement for an issuer to publish on its own website a document within one hour of submission of that document to us for publication on our website should be extended to 9:00 a.m. of the following business day. This would be so as to give the issuer's staff or external service providers more time to arrange for publication on the issuer's own website.
41. We note the practical difficulties that issuers may encounter. Therefore, we have revised the deadline for publication on the issuer's own website to 9:00 a.m. of the following business day in cases where the document was submitted for publication on our website after 7:00 p.m.. In all other cases, publication on the issuer's own website must still be within one hour of such submission.

Weekend/statutory holiday submission window

42. As stated in paragraph 52 of the Exposure Paper, we proposed making available an additional two-hour window for submission of documents through the Exchange's Electronic Publication System (HKEx-EPS) for publication. Where the 11:00 p.m. submission for publication deadline falls on a business day immediately preceding a day which is not a business day, we proposed to make available a two-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. A view was expressed that this submission window should not be restricted to between 6:00 p.m. and 8:00 p.m.
43. The additional two-hour window is not a restriction, but an accommodation to issuers. As stated in the Exposure Paper, the 6:00 p.m. to 8:00 p.m. window is to enable issuers to make use of weekends and statutory holidays to finalise documents (which, where clearance is required, would still need to have been cleared for publication by 7:00 p.m. on the last business day before the window). Thus the window is already an extension of the 11:00 p.m. deadline of the last preceding business day to accommodate issuers' needs. Closure of the HKEx-EPS system during weekends and statutory holidays will also allow for maintenance to be carried out.

Issuers to charge reasonable fees for copies

44. In the Exposure Paper, we proposed that, where a Main Board issuer published a short-form announcement in the newspapers, it must make the full announcement available for inspection during business hours at no charge at certain prescribed locations and provide a copy of the announcement free of charge to any person upon request. A view was expressed that issuers should be allowed to charge a small fee for providing such copies.
45. We consider this suggestion to be reasonable and have revised the Rule amendments to permit Main Board issuers to charge a reasonable fee for providing copies of announcements. For guidance purposes, we consider that the charging scale under the Solicitors (General) Costs Rules (under the Legal Practitioners Ordinance (Cap. 159) governing the fees which solicitors may charge for providing copies to be an appropriate reference point for determining a "reasonable fee".

Exchange should make issuers' full announcements available for inspection

46. A view was expressed that the Exchange should set up a centralised location where investors can inspect issuers' full announcements.
47. To facilitate public access to information on the Exchange's website, a facility will be made available in a public reading room adjacent to the trading hall where investors can access the Exchange's website, the GEM website and the website of the Securities and Futures Commission and search and view issuers' announcements, notices and other documents.
48. Investors can also make use of the Exchange's free alert service referred to in paragraph 79.

Minimum size of notifications

49. In the Exposure Paper, we proposed that (if the short-form announcement was to take the form of a notification) the notification should be of a size of not less than 10 centimetres by 12 centimetres so that Main Board issuers would not relegate the notification to relative obscurity within the newspaper.
50. A view was expressed that the size of a notification could be smaller than this. One respondent suggested 8 centimetres by 10 centimetres, the same size as for notices of annual general meetings (under Rule 13.37 of the Main Board Listing Rules).
51. We accept the suggestion to base the prescribed minimum size of the notification on that of the annual general meeting notice and have revised the Rule amendments accordingly. A sample notification is set out in Appendix B on which we have indicated (for reference only) the relevant references to the Main Board Listing Rules.

Express contingency provisions

52. A view was expressed that certain disaster scenarios should be expressly catered for or provided in the Listing Rules. One respondent suggested a parallel run during the transitional period, i.e. whereby alternative means of submission such as diskette, CD-ROM or fax would be accepted alongside submission through HKEx-EPS.
53. We will publish contingency measures in relation to certain specific situations and include them in the HKEx-EPS user manual. If and when it becomes necessary to invoke any particular contingency measure, we will publish our relevant contingency arrangements on the Exchange's website. These may provide for the use of diskettes or CD ROM's. However, such arrangements would only come into effect if and when, in the determination of the Exchange, there were problems with HKEx-EPS preventing generally the timely submission of documents to the Exchange for publication. An issuer would not be permitted to invoke such contingency arrangements unilaterally.
54. We consider that a parallel run would not be necessary as it would overly complicate the operational procedures.

Headline categories

55. It was proposed in the Exposure Paper that all documents required to be published on our website must set out in a prominent position at the top of the document certain prescribed headlines. The proposal was that the short-form announcement must also contain the same headlines in a prominent position at the top. The same headlines must also be selected during the HKEx-EPS submission process.
56. A view was expressed that the headline categories were "too wide and unspecific".
57. We consider that, in some cases, a degree of generalisation is inevitable. Our list is based on the headline categories prescribed by the Financial Services Authority in the UK Listing Rules with modifications and additions to reflect the disclosure requirements of our own Listing Rules.
58. We have revised the headline categories so as to reduce their number. By making the list shorter, it is hoped that the selection process for issuers will be facilitated.
59. The revised list of headline categories is set out in Appendix E.
60. A view was also expressed that the headline categories should be included as an Appendix to the Listing Rules for easy access by issuers and market practitioners.

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61. We concur with this suggestion and have revised the Rule amendments to incorporate the list of headline categories.
 62. The presence of the headlines in a prominent position at the top of a short-form announcement will provide useful indicators of the subject matter of the full announcement where substantive information would otherwise be lacking. We have reconsidered our proposal to require the headlines to appear in a prominent position in the full announcement, and are of the view that it is not necessary. The full announcement itself contains detailed information on the subject matter and there should therefore be no need to require the same degree of prominence for headlines in the full announcement. We have therefore revised the Rule amendments to remove the requirement that the headlines be set out “in a prominent position at the top of the document” in the case of the full announcement. Further, since the purpose of the notification is merely to notify the public of the publication of an announcement on the Exchange’s website and the issuer’s own website and in the interests of keeping the notification reasonably short, we have revised the Rule amendments to provide that, where there are multiple headlines, the issuer must display in the notification those headlines which together best describe the subject matter of the full announcement. For the purpose of submission of the full announcement through HKEx-EPS, all appropriate headlines must be selected regardless of the number. In cases of doubt, issuers should consult the Exchange at an early stage.
 63. We do not expect issuers to revise their approach to giving announcements and other documents an appropriate title reflecting the underlying content of the announcement or document. Therefore, during the HKEx-EPS submission process, we will require the title to be input into a designated free-text field. We believe that the inclusion of case-specific information will serve as a further aid in identifying relevant documents among a list generated by an online search.

Suspension announcements

64. At present, a suspension of trading in the securities of an issuer is first notified to the public by means of a short notice prepared by the Exchange which is published on the HKEx website or GEM website.
65. So as to streamline the notification process, we will include a provision in the Listing Rules to the effect that, where an issuer requests a suspension of trading in its securities and the suspension has been effected, the issuer must immediately submit through HKEx-EPS to the Exchange for publication on the Exchange’s website or GEM website a ready-to-publish electronic copy of an announcement informing that trading in the securities of an issuer has been suspended and setting out briefly the reason for the suspension. Upon receipt of the electronic copy from the issuer, such an announcement will be published by the Exchange provided the suspension has been effected. The announcement must also be published on the issuer’s own website.

Board meeting notifications

66. Under the Listing Rules, issuers are required to give the Exchange seven days’ advance notice of any board meeting at which the declaration, recommendation or payment of a dividend is expected to be decided or at which any announcement of the profits or losses for any year, half-year or other period is to be approved for publication. In the case of Main Board issuers, the Exchange currently compiles and publishes a list of such board meetings on the Exchange’s website. In the case of GEM issuers, the GEM Listing Rules require the issuer to publish an announcement on the matter on the GEM website.

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67. We consider that the dissemination procedure for the Main Board and GEM should be streamlined and that the GEM model is to be preferred. Therefore, upon implementation of Phase 1, Main Board issuers will also be required to publish announcements of such board meetings directly on the Exchange's website in the same way that such announcements are currently published by GEM issuers on the GEM website. As Main Board issuers are currently not required to publish such announcements in the newspapers, it is sufficient for the announcement to be published on the Exchange's website and the issuer's own website without a notification in the newspapers during Phase 1. Therefore, there should be no extra costs for the issuer upon implementation of the proposal. We have included this new requirement in the Rule amendments.

Text file notifications no longer to be published on AMS/3 trading devices

68. Currently, pre-vetted announcements of Main Board issuers and summary versions of pre-vetted announcements of GEM issuers are released in text format on the Exchange's AMS/3 trading devices and the Exchange's Market Data Feed (MDF) service subscribed to by information vendors. These AMS/3 trading devices are used by Exchange participants on the trading floor as well as in their broker offices.
69. In the Exposure Paper, we had proposed that, during Phase 1, issuers would be required to send us text files of the short-form announcements, where they related to pre-vetted announcements or are notifications of preliminary results announcements, online through HKEx-EPS, for release of the information on the AMS/3 trading devices and to MDF subscribers.
70. Before the implementation of Phase 1, the Exchange will introduce a new function whereby a news alert message will be sent to AMS/3 trading devices and MDF subscribers whenever an issuer announcement is published on the Exchange's website or GEM website. So as to avoid potential duplication, issuers will no longer be required, with effect from Phase 1, to send us any text files (whether, as is currently the case, of pre-vetted announcements of Main Board issuers and summary versions of pre-vetted announcements of GEM issuers or, as was proposed in the Exposure Paper, of short-form announcements, where they relate to pre-vetted announcements or are notifications of preliminary results announcements) for publication on the AMS/3 trading devices and to MDF subscribers.

Sponsor's confirmation

71. It was proposed in the Exposure Paper that, in the case of Main Board and GEM new listing applicants, we would require the sponsor to give a written confirmation that it had reviewed the announcement and was satisfied that it was appropriate for publication on the Exchange's website or GEM website prior to the announcement being submitted through HKEx-EPS for publication.
72. We have modified the wording of the confirmation to align it with the sponsor's existing overall responsibility with respect to the contents of the announcement. This includes its responsibility under its undertaking pursuant to Rule 3A.03 of the Main Board Listing Rules or Rule 6A.03 of the GEM Listing Rules that it will use reasonable endeavours to ensure that all information provided to the Exchange during the listing application process is true in all material respects and does not omit any material information. We have revised the Rule amendments to require that the confirmation be that the announcement has been cleared by the Exchange (where such clearance is required under the Listing Rules) or that the document is required to be published by the new applicant (where such clearance is not so required).

Certain exceptions set out in greater detail

73. New Rules 2.07C(5)(a), 2.07C(7)(c) and 2.17A(3) provide for certain exceptions from, respectively, the requirement that no announcements be submitted to the Exchange for publication during trading hours, the requirement that an issuer without its own website publish the full announcement in the newspapers and the requirement to publish a notification in the newspapers.
74. These exceptions are now set out in greater detail in those Rules.

Views favouring status quo

75. We note that a minority of respondents express views in favour of maintaining the status quo whereby Main Board issuers are required to publish announcements in the newspapers under the Listing Rules. They also put forward alternative proposals short of the total abolition of the paid announcement requirement, e.g. that the requirement to publish in the newspapers should be abolished only for certain announcements with the requirement being maintained for the others.
76. The subject of whether the paid announcement requirement should be abolished has been considered at length for over five years. A consultation was conducted in 2000, and the decision to abolish paid announcements was made after careful consideration of the views of all stakeholders. We have also carefully reconsidered the responses submitted by those favouring the status quo and remain of the view that our proposals are beneficial to the long-term development of the Hong Kong securities market as a whole. Therefore, we will proceed to the implementation stage.
77. The abolition of the paid announcement requirement will necessitate changes in the way investors obtain issuer news and disclosures. For instance, before making any investments, a prospective investor will need to ensure that sufficient information is available to him for making his investment decisions and monitoring his investments subsequently. Thus, an investor will need to make sure that he has access to the Exchange's website or the issuer's website or he can obtain the necessary information from an alternative source (e.g. a broker, an information vendor, etc).
78. We expect the abolition of the paid announcement requirement will open up new opportunities for the development of new services to meet investors' needs. Third parties may see a commercial benefit in developing new services. For example, a service provider can assist issuers to disseminate their news, announcements and other documents through the issuers' own websites.
79. The Exchange's website currently provides a free service which sends subscribers email and mobile phone alerts for the latest news and disclosure of interests notices for up to any 10 designated issuers per account. Upon receiving an alert, the investor can review the relevant details from either the Exchange's website or other preferred sources. We believe this free service enhances the dissemination of issuer information to the investing public, and we will continue to promote the usage of this service.
80. The total abolition of the requirement for Main Board issuers to publish paid announcements in the newspapers will result in the Exchange being the central location for public access to all Hong Kong issuers' news in respect of their obligations under the Listing Rules. The Exchange is aware of the risks and implications of this. To mitigate any potential risks, the Exchange has undertaken a number of initiatives.
81. It has sought to ensure that the Exchange's website will be robust and reliable so that it can discharge this important role. In September 2005, the HKEx Website Disaster Recovery Site project was completed. The project helped strengthen the backup arrangements for the Exchange's website so service can be restored more quickly in the event of an incident disabling the primary website.

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82. Since HKEx-EPS will become the sole recognised means of submitting a document to the Exchange for publication, steps are being taken to ensure that the system can recover promptly in the unlikely event of a service disruption. Thus, a disaster recovery site is also being implemented for HKEx-EPS. Further, due to the important role played by HKEx-EPS in the new regime, the Exchange is taking steps to enhance HKEx-EPS. This includes upgrading security and access control and enhancing the capacity to handle large files.
 83. To help ensure users are adequately prepared for the changes to the HKEx-EPS, the Exchange is updating its training and technical materials, and it will produce an interactive e-learning module. Furthermore, there will be a help-line to answer enquiries on the HKEx-EPS and the Exchange plans to host seminars for issuers and professional advisers as well as provide them with the opportunity for hands-on familiarisation with the system prior to launch. Further details will be announced in due course.
 84. We are also committed to providing the investing public with a secure, efficient and reliable access to all issuer announcement information through free access to the Exchange's website. To cater for the increase in investors using the Exchange's website after the abolition of the paid announcement requirement, we are in the process of upgrading the capacity of the Exchange's website and further enhancing the user-friendliness and functionality of the Exchange's website particularly in relation to the presentation and the searching of issuer information.
 85. Enhancements are also being undertaken on the Exchange's system which is used for handling publication of documents on the Exchange's website after their submission by issuers.
 86. The capacity of the Exchange's Issuer Information Feed System (IIS), the service handling the transmission of real-time news information, including issuers' announcements, to information vendors, will be upgraded and a disaster recovery site for IIS will be implemented.
 87. As stated above, the electronic dissemination of issuers' Listing Rules-related announcements through the Exchange's website, a single, official, centralised location that can be easily accessed by both local and overseas investors, will bring the Exchange into line with other leading international equity markets.

CONCLUSION

88. Based on the responses received, we have decided that:
- (a) the short-form announcement which, as an interim measure, Main Board issuers will be required to publish in the newspapers, will be a notification rather than a summary announcement; and
 - (b) Phase 1 as described in the Exposure Paper, i.e. the transitional period during which Main Board issuers will be required to publish notifications in the newspapers instead of the announcement, should last 6 months.
89. Other than the revisions mentioned in this document, the proposals set out in the Exposure Paper remain unchanged.
90. We set out in Appendix C the amendments to the Main Board Listing Rules for notifications. These provisions will be implemented during Phase 1 only. Changes from the Listing Rule amendments for notifications set out in Appendix B to the Exposure Paper are shaded.
91. We set out in Appendix D the other major Listing Rule amendments. These comprise amendments to both the Main Board Listing Rules and the GEM Listing Rules. Changes from the Listing Rule amendments set out in Appendix C to the Exposure Paper are shaded. A full text of all the Rule amendments can be viewed on the Exchange's website at <http://www.hkex.com.hk/consul/conclusion/nparule.pdf>. These include the amendment to require Main Board issuers to publish announcements in relation to dates of board meetings as referred to in paragraphs 66 to 67.
92. We set out in Appendix E the list of headline categories. This will be incorporated into the Main Board Listing Rules as a new Appendix 24 and the GEM Listing Rules as a new Appendix 17. As the list has been substantially revised so as to reduce the number of headline categories, changes from the list set out in Appendix E to the Exposure Paper are not indicated (other than for some minor changes on the first page).
93. We propose to make some further minor revisions to the Listing Rules for the purpose of fine-tuning certain aspects of the operational model. Details of the revisions will be announced in due course.

IMPLEMENTATION

94. As stated in the Exposure Paper and mentioned above, we are undertaking a number of operational readiness initiatives. HKEx-EPS will be relaunched (and users will be required to register or re-register, as the case may be). Implementation of the proposals will be subject to operational readiness. We will announce to the market in due course the relaunch arrangements as well as the commencement date for Phase 1. It is currently intended that the commencement date for Phase 1 will be at least six months after the publication of this Exposure Conclusion.

APPENDIX A — PROFILE OF RESPONDENTS

Listed issuers	25
Investment entities	3
Individuals	3
Professional organisations	5
Market practitioners	4
	<hr/>
	40
	<hr/> <hr/>

APPENDIX B — SAMPLE NOTIFICATION

(Minimum size: 8 x 10 centimetres)

For reference only

<p>Listco Limited <i>(Incorporated in Hong Kong with limited liability)</i> (Stock code: xxx)</p>	Main Board rule 13.51A
<p>NOTIFICATION DISCLOSEABLE TRANSACTION, CONSIDERATION ISSUE, ISSUE OF SHARES UNDER A GENERAL MANDATE <i>Purchase of Prime Mansions</i></p>	Main Board rule 2.17A(4)(f) Main Board rule 2.17A(4)(g)
<p>An announcement containing details of the matter is available for viewing on the website of Hong Kong Exchanges and Clearing Limited website at www.hkex.com.hk under "Latest Listed Companies Information" and at the website of Listco Limited at www.-----com/xxxxx/xxxxxx/060307.htm.</p>	Main Board rule 2.17A(4)(a)
<p>This notification merely serves to advise investors of the matter and of the publication of the announcement on the above websites. <i>This notification does not contain information upon which an investment decision should be based and should not be relied upon by investors for such purpose.</i> Investors should refer to the announcement for details of the matter.</p>	Main Board rule 2.17A(4)(b) Main Board rule 2.17A(4)(c) Main Board rule 2.17A(4)(d)
<p>The announcement is available for inspection to the public at no charge at Room 101, Any Building, Wanchai, Hong Kong from 9:00 a.m. to 1:00 p.m. and from 2:00 p.m. to 5:30 p.m., Mondays to Fridays, from today until 6 April 2007 or until such time as the discloseable transaction circular is sent to shareholders, whichever is the later. Copies will be provided upon request at a cost of \$x per sheet.</p>	Main Board rule 2.17A(4)(e)
<p>By Order of the Board Terry Dactyl Company Secretary</p>	
<p>Hong Kong, 6 March 2007</p>	

APPENDIX C — 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(7) or where it is required to do so under a specific requirement in these Exchange Listing Rules (e.g. rule 2.07C(7)(c)).

(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 in the newspapers does not apply to an announcement or notice made by an issuer solely pursuant to rule 2.07C(1)(a)(v), rule 13.09(2), note 2 to rule 13.10, rule 13.43, paragraph 2(2) or 24 of Part C of Appendix 7 (in the case of paragraph 24, containing a statement prescribed under that paragraph that the issuer is not aware of any matter or development), paragraph 2(2) of Part D of Appendix 7, paragraph 2(2) of Part E of Appendix 7, paragraph 11 of Part G of Appendix 7 (containing a statement prescribed under that paragraph that the issuer is not aware of any matter or development) or paragraph 2(2) or note 26.2 to paragraph 26 of part H of Appendix 7.

Note: An announcement or notice falls within the exception in this rule 2.17A(3) only where it is being made solely pursuant to one of the provisions referred to in this rule. If an announcement or notice being made pursuant to one of those provisions (e.g. an overseas regulatory announcement being made pursuant to rule 13.09(2)) also contains information that is being disclosed pursuant to another provision (such as rule 13.09(1)), then the issuer must publish a notification in the newspapers in accordance with rule 2.17A(1). In cases of doubt, the issuer should consult the Exchange at an early stage.

- (4) The notification must set out no less (and no more) than:
- (a) 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);
 - (b) 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;
 - (c) 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;
 - (d) a statement that investors should refer to the announcement or notice for details of the matter;
 - (e) 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 and the amount of any fee charged for providing copies (see rule 2.17A (9) below);
 - (f) in a prominent position at the top of the notification, all such headlines as may be appropriate (or, where multiple headlines, only those headlines which together best describe the subject matter of the announcement or notice), selected by the issuer from the list of headlines set out in Appendix 24;

Notes: (1) For the purpose of submission of the announcement or notice through HKEx-EPS for publication on the Exchange's website pursuant to rule 2.07C(4), all appropriate headlines must be selected regardless of the number.

(2) In cases of doubt, the issuer should consult the Exchange at an early stage.

- (g) in a prominent position at the top of the notification, the same title as appears in the announcement or notice; and
 - (h) such other information as the Exchange may from time to time require.
- (5) Notwithstanding the provisions of rule 2.14, the issuer does not need to include the names of its directors in the notification.

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- (6) The notification must be of a size of not less than 8 centimetres by 10 centimetres.
 - (7) The issuer may publish the announcement or notice in the newspapers instead of a notification.
 - (8) The notification does not require clearance from the Exchange prior to publication.
 - (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 may charge reasonable fees for providing copies of the announcement or notice to any person.

MAIN BOARD

Chapter 1

INTERPRETATION

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

<u>“HKEx-EPS”</u>	<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) ~~A 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 each of the sponsors, confirming that the announcement or notice has been cleared by the Exchange (where such clearance is required under the Exchange Listing Rules) or that the document is required to be published by the new applicant (where such clearance is not so required), must be received by the Exchange prior to the announcement or notice being submitted through HKEx-EPS for publication.

(iii) 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 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).

(iv) 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.

(v) Where a listed issuer requests a suspension of trading in its securities and the suspension has been effected, the listed issuer must immediately submit through HKEx-EPS to the Exchange for publication on the Exchange's website a ready-to-publish electronic copy of an announcement informing that trading in the securities of the listed issuer has been suspended and setting out briefly the reason for the suspension.

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- (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 119:00 p.m. on the business day last preceding the day on which it is ~~so sent to shareholders by the listed issuer or distributed to the public in the case of a new applicant~~.
- (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.
- (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.

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- (2) Where the day for submission of the ready-to-publish electronic copy pursuant to rule 2.07C(1)(a)(iv) 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.

- (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 being text-searchable and the document printable. 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) When submitting a document through HKEx-EPS for publication on the Exchange's website, the issuer must select all such headlines as may be appropriate from the list of headlines set out in Appendix 24 (which is also displayed in HKEx-EPS) and input into the designated free-text field in HKEx-EPS the same title as appears in the document.

- (5) (a) Electronic copies of announcements or notices must not be submitted to the Exchange between 9:00 a.m. and 4:15 p.m. on a business day for publication on the Exchange's website, other than:

(i) preliminary results announcements (which may be submitted and published between 12:30 p.m. and 1:30 p.m. on a business day); and

(ii) announcements or notices made solely pursuant to rule 2.07C(1)(a)(v), rule 13.09(2), rule 13.10, paragraph 2(2) or 24 of Part C of Appendix 7, paragraph 2(2) of Part D of Appendix 7, paragraph 2(2) of Part E of Appendix 7, paragraph 11 of Part G of Appendix 7 or paragraph 2(2) or 26 of Part H of Appendix 7.

Note: An announcement or notice falls within the exception in this rule 2.07C(5)(a)(ii) only where it is being made solely pursuant to one of the provisions referred to in this rule. If an announcement or notice being made pursuant to one of those provisions (e.g. an overseas regulatory announcement being made pursuant to rule 13.09(2)) also contains information that is being disclosed pursuant to another provision (such as rule 13.09(1)), then it must not be submitted to the Exchange between 9:00 a.m. and 4:15 p.m. on a business day for publication on the Exchange's website. In cases of doubt, the issuer should consult the Exchange at an early stage.

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- (b) Any publication by an issuer pursuant to this rule 2.07C must be made in both the English and Chinese language unless otherwise stated.
- (c) Subject to rule 2.07C(5)(d), where a document is required to be published in both the English and Chinese language, the issuer must submit the ready-to-publish electronic copy of both the English and Chinese versions of that document together to the Exchange for publication on the Exchange's website.
- (d) In the case of the English and Chinese versions of a listing document 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.
- (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.

- (7) (a) After [insert date which is 1 year after the commencement of Phase 1], every issuer must have its own website on which it must publish any announcement, notice or other document submitted by the issuer pursuant to this rule 2.07C for publication on the Exchange's website. Such publication should be at the same time as submission of the electronic copy of the document to the Exchange for publication on the Exchange's website. In any event:
- (i) where the electronic copy of the document is submitted after 7:00 p.m. to the Exchange for publication on the Exchange's website, publication on the issuer's own website must be no later than 9:00 a.m. on the business day next following such submission; and
- (ii) where the electronic copy of the document is submitted at any other time to the Exchange for publication on the Exchange's website, publication on the issuer's own website must be no later than 1 hour after such submission.

Note: The issuer's website does not need to be hosted on a domain owned or maintained by the issuer. The issuer's website may be hosted on a third-party domain so long as the website is assigned a dedicated location on the Worldwide Web and the issuer's website may be managed by a third-party on behalf of the issuer.

(b) 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. The public must be able to access these documents on the website free of charge.

(c) Prior to *[insert date which is 1 year after the commencement of Phase 1]*, an issuer that does not have its own website must publish the announcement or notice in the newspapers on the business day next following submission of the announcement or notice to the Exchange for publication. The requirement in this rule 2.07C(7)(c) to publish an announcement or notice in the newspapers does not apply to an announcement or notice made by an issuer solely pursuant to rule 2.07C(1)(a)(v), rule 13.09(2), note 2 to rule 13.10, rule 13.43, paragraph 2(2) or 24 of Part C of Appendix 7 (in the case of paragraph 24, containing a statement prescribed under that paragraph that the issuer is not aware of any matter or development), paragraph 2(2) of Part D of Appendix 7, paragraph 2(2) of Part E of Appendix 7, paragraph 11 of Part G of Appendix 7 (containing a statement prescribed under that paragraph that the issuer is not aware of any matter or development) or paragraph 2(2) or note 26.2 to paragraph 26 of Part H of Appendix 7.

Note: An announcement or notice falls within the exception in this rule 2.07C(7)(c) only where it is being made solely pursuant to one of the provisions referred to in this rule. If an announcement or notice being made pursuant to one of those provisions (e.g. an overseas regulatory announcement being made pursuant to rule 13.09(2)) also contains information that is being disclosed pursuant to another provision (such as rule 13.09(1)), then it must be published in the newspapers in accordance with this rule 2.07C(7)(c). In cases of doubt, the issuer should consult the Exchange at an early stage.

GROWTH ENTERPRISE MARKET

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.~~

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- (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.~~
- (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 each of the sponsors confirming that the announcement or notice has been cleared by the Exchange (where such clearance is required under the GEM Listing Rules) or that the document is required to be published by the new applicant (where such clearance is not so required), 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 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.
- (e) Where a listed issuer requests a suspension of trading in its securities and the suspension has been effected, the listed issuer must immediately submit through HKEx-EPS to the Exchange for publication on the GEM website a ready-to-publish electronic copy of an announcement informing that trading in the securities of the listed issuer has been suspended and setting out briefly the reason for the suspension.

(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 being text-searchable and the document printable. 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) When submitting a document through HKEx-EPS for publication on the GEM website, the issuer must select all such headlines as may be appropriate from the list of headlines set out in Appendix 17 (which is also displayed in HKEx-EPS) and input into the designated free-text field in HKEx-EPS the same title as appears in the document.

(3) (a) Electronic copies of announcements or notices must not be submitted to the Exchange between 9:00 a.m. and 4:15 p.m. on a business day for publication on the GEM website, other than:

(i) preliminary results announcements (which may be submitted and published between 12:30 p.m. and 1:30 p.m. on a business day); and

(ii) announcements or notices made solely pursuant to rule 16.17(1)(e), rule 17.11, rule 17.12, rule 17.13, rule 31.05 or rule 31.06.

Note: An announcement or notice falls within the exception in this rule 16.18(3)(a)(ii) only where it is being made solely pursuant to one of the provisions referred to in this rule. If an announcement or notice being made pursuant to one of those provisions (e.g. an overseas regulatory announcement being made pursuant to rule 17.12) also contains information that is being disclosed pursuant to another provision (such as rule 17.10), then it must not be submitted to the Exchange between 9:00 a.m. and 4:15 p.m. on a business day for publication on the GEM website. In cases of doubt, the issuer should consult the Exchange at an early stage.

(b) Subject to rule 16.18(3)(c), where a document is required to be published in both the English and Chinese language, the issuer must submit the ready-to-publish electronic copy of both the English and Chinese versions of that document together to the Exchange for publication on the GEM website.

(c) In the case of the English and Chinese versions of a listing document 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.

(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 GEM 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 GEM 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 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. 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.

(1) After *[insert date which is 1 year after the commencement of Phase 1]*, every issuer must have its own website on which it must publish any announcement, notice or other document submitted by the issuer pursuant to this rule 16.17 for publication on the GEM website. Such publication should be at the same time as submission of the electronic copy of the document to the Exchange for publication on the GEM website. In any event:

(a) where the electronic copy of the document is submitted after 7:00 p.m. to the Exchange for publication on the GEM website, publication on the issuer's own website must be no later than 9:00 a.m. on the business day next following such submission; and

(b) where the electronic copy of the document is submitted at any other time to the Exchange for publication on the GEM website, publication on the issuer's own website must be no later than 1 hour after such submission.

Note: The issuer's website does not need to be hosted on a domain owned or maintained by the issuer. The issuer's website may be hosted on a third-party domain so long as the website is assigned a dedicated location on the Worldwide Web and the issuer's website may be managed by a third-party on behalf of the issuer.

(2) The issuer must ensure that any document published on its website pursuant to the GEM Listing Rules remains available on its website on a continuous basis for at least 5 years from the date of first publication. The public must be able to access these documents on the website free of charge.

(3) Prior to *[insert date which is 1 year after the commencement of Phase 1]*, an issuer with its own website must publish on its website, in accordance with the timing prescribed in rule 16.19(1), any announcement, notice or other document submitted by the issuer pursuant to this rule 16.17 for publication on the GEM website.

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 – [Document type to be assigned]

Debt and Structured Products

9. Headline Categories for Debt and Structured Products (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.

(Changes from Exposure Paper not marked in Schedules)

Schedule 1
Headline Categories for Announcements and Notices

Connected Transactions
Auditors or INEDs Unable to Confirm Matters relating to Continuing Connected Transaction
Connected Transaction
Continuing Connected Transaction
Guaranteed Net Tangible Assets or Profits
Waiver in respect of Connected Transaction Requirements
Corporate Positions and Committees/Corporate Changes
Amendment of Constitutional Documents
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, Registered Place of Business in HK or Agent for Service of Process in HK
Change in Company Secretary
Change in Supervisors
Change of Audit Committee Member
Change of Company Name
Non-compliance with Audit Committee Requirements
Non-compliance with Compliance Officer Requirements
Non-compliance with INED Requirements or INED Failing to Meet Independence Guidelines
Non-compliance with Qualified Accountant Requirements

Financial Information
Advance to an Entity
Date of Board Meeting
Delay in Results Announcement
Dividend or Distribution
Final Results
Financial Assistance and/or Guarantee to Affiliated Company
Interim Results
Net Asset Value
Profit Warning
Quarterly Results
Results of a 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 AGM
Notice of EGM/SGM
Re-election or Appointment of Director subject to Shareholders' Approval
Results of AGM
Results of EGM/SGM
Results of Voting by Poll
New Listings (Listed Issuers/New Applicants)
Allotment Results
Formal Notice
Listing of Securities by way of Introduction
Striking Price on Offer for Subscription or for Sale by Tender
Supplemental Information regarding IPO
Notifiable Transactions
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
Change in Shareholding
Charging or Pledging of Shares by Shareholder
Dealing in Securities by Director where Otherwise Prohibited under Model Code
Fundamental Change in Principal Business Activities
Group Restructuring or Scheme of Arrangement
Lack of Open Market in Securities or Concentration of Shareholding
Listing on Overseas Exchange or Securities Market
Privatisation/Withdrawal or Cancellation of Listing of Securities
Resumption
Spin-off
Sufficiency of Assets and/or Operations and/or Issuer becoming Cash Company
Sufficiency of Public Float
Suspension Notification
Winding Up and Liquidation of Issuer, its Holding Company or Major Subsidiary
Securities/Share Capital
Announcement pursuant to Code on Share Repurchases
Capital Reorganisation
Capitalisation Issue
Change in Board Lot Size
Change in Terms of Securities or Rights attaching to Securities
Change of Dividend Payment Date
Closure of Books or Change of Book Closure Period
Consideration Issue
Conversion of Securities
Intention to Sell Shares of Untraceable Member
Issue of Convertible Securities
Issue of Debt Securities
Issue of Preference Shares
Issue of Securities by Major Subsidiary
Issue of Shares under a General Mandate
Issue of Shares under a Specific Mandate
Issue of Warrants
Movements in Issued Share Capital
Open Offer
Rights Issue
Share Option Scheme
Trading Arrangements (other than Change in Board Lot Size)

Miscellaneous
Breach of Loan Agreement
Clarification of News or Reports
Delay in Dispatch of Circular or other Document
Loan Agreement with Specific Performance Covenant
Matters relating to Options
Matters relating to Collective Investment Schemes
Other
Overseas Regulatory Announcement
Price-Sensitive Information
Unusual Price/Turnover Movements

Schedule 2
Headline Categories for Circulars

Connected Transaction
Connected Transaction
Continuing Connected Transaction
Corporate Positions and Committees/Corporate Changes
Amendment of Constitutional Documents
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
Major Transaction
Reverse Takeover
Very Substantial Acquisition
Very Substantial Disposal

Reorganisation/Change in Shareholding/Major Changes/Public Float/Listing Status
Document issued by Offeree pursuant to Takeovers Code
Document issued by Offeror pursuant to Takeovers Code
Fundamental Change in Principal Business Activities
Privatisation/Withdrawal of Listing of Securities
Proposal of Mineral Company to Explore for Natural Resources as Extension to or Change from Existing Activities
Spin-off
Securities/Share Capital
Capitalisation Issue
Change in Terms of Securities or Rights attaching to Securities
Document issued pursuant to Code on Share Repurchases
Exchange or Substitution 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 by Major Subsidiary
Issue of Securities within 6 Months of Listing
Issue of Shares
Issue of Warrants
Open Offer
Rights Issue
Share Option Scheme
Miscellaneous
Matters relating to Collective Investment Schemes
Other

Schedule 3 Headline Categories for Listing Documents

Authorised Collective Investment Scheme
Capitalisation Issue
Deemed New Listing under the Listing Rules
Exchange or Substitution of Securities
Introduction
Offer for Sale
Offer for Subscription
Open Offer
Other
Placing of Securities of a Class New to Listing
Rights Issue
Supplementary Listing Document

Schedule 4
Headline Categories for Financial Statements

Annual Report
Interim/Half-Year Report
Quarterly Report

Schedule 5
Headline Categories for Debt and Structured Products

Trading Summaries - Derivative Warrants
Daily Trading Report on Derivative Warrant
Pre-Listing Trading Report on Derivative Warrant
Trading Summaries - Equity Linked Instruments
Daily Trading Report on Equity Linked Instrument
Pre-Listing Trading Report on Equity Linked Instrument
Trading Summaries - Callable Bull/Bear Contracts
Daily Trading Report on Callable Bull/Bear Contract
Pre-Listing Trading Report on Callable Bull/Bear Contract
Warrant Announcements - Derivative Warrants
Announcement regarding Exotic Derivative Warrant
Expiry Announcement regarding Derivative Warrant
Launch Announcement regarding Derivative Warrant
Other Announcement regarding Derivative Warrant
Warrant Announcements - Equity Linked Instruments
Announcement regarding Exotic Equity Linked Instrument
Expiry Announcement regarding Equity Linked Instrument
Launch Announcement regarding Equity Linked Instrument
Other Announcement regarding Equity Linked Instrument
Warrant Announcements - Callable Bull/Bear Contracts
Announcement regarding Exotic Callable Bull/Bear Contract
Expiry Announcement regarding Callable Bull/Bear Contract
Launch Announcement regarding Callable Bull/Bear Contract
Other Announcement regarding Callable Bull/Bear Contract

Warrant Listing Documents – Derivative Warrants
Base Listing Document of Derivative Warrant
Supplemental Listing Document of Derivative Warrant
Warrant Listing Documents – Equity Linked Instruments
Base Listing Document of Equity Linked Instrument
Supplemental Listing Document of Equity Linked Instrument
Warrant Listing Documents – Callable Bull/Bear Contracts
Base Listing Document of Callable Bull/Bear Contract
Supplemental Listing Document of Callable Bull/Bear Contract
Debt Securities Announcements
Formal Notice
Other Announcement regarding Debt Securities
Overseas Regulatory Announcement
Others
Debt Securities Offering Circular and Pricing Supplement
Debt Securities Prospectus
Issuer-Specific Report

