



香港交易所

NEWS RELEASE

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THE STOCK EXCHANGE OF HONG KONG LIMITED
(a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

ANNOUNCEMENT

Annual Reports and/or Interim Reports

Listed issuers may apply for a waiver for deviation from Paragraphs 8 and 10 of the Main Board Listing Agreement and Rules 18.03 and 18.54 of the GEM Listing Rules requiring the sending out of both English and Chinese versions of Annual and/or Interim Reports to members and holders of their listed securities subject to complying with certain conditions to be imposed.

INTRODUCTION

1. The Exchange issued an announcement in September 2000 announcing changes to the Main Board Listing Rules and GEM Listing Rules to allow initial listing documents to be issued in split English and Chinese language format. This represented part of the Exchange's efforts to reduce the length of company documents given to investors for environmental protection reasons as well as for the purpose of ensuring better communication between listed issuers and public investors.
2. As part of the efforts mentioned above, the Exchange and SFC are working closely towards allowing listed issuers to issue annual reports containing summarised financial information. If this can be done, public investors would be given the choice to obtain annual reports containing full version financial statements or reports which contain only summarised financial statements. This approach is already well-established in the United Kingdom. It is hoped that by providing such flexibility to listed issuers, investors would have access to more concise and user-friendly information, and listed issuers would be able to reduce cost on printing lengthy financial reports. However, for Hong Kong to adopt such an approach, the relevant provisions of the Companies Ordinance and the Listing Rules must first be amended, which will take some time to be implemented.

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香港交易及結算所有限公司

Hong Kong Exchanges and Clearing Limited

香港中環港景街一號國際金融中心一期 12 樓 12/F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong
電話 Tel: (852) 2522 1122 傳真 Fax: (852) 2295 3106 網址 Website: www.hkex.com.hk 電郵 E-mail: info@hkex.com.hk

3. However, with a view to achieving the objective of “using less paper” to ensure better investor communication and for environmental protection reasons, the Exchange has, in the meantime, obtained the agreement of the SFC to grant a waiver from the requirement that all Annual and/or Interim Reports be issued in both English and Chinese languages upon application by a listed issuer. This means that subject to the fulfilment of conditions that adequate arrangements are put in place to ascertain the preference of members and securities holders, listed issuers can issue Annual and/or Interim Reports to be sent to members and securities holders in either English or Chinese language on the basis that they are of equal validity. Such waiver will be granted to listed issuers upon application in relation to Paragraphs 8 or 10 of the Listing Agreement for issuers listed on the Main Board, and Rules 18.03 or 18.54 of the GEM Listing Rules for issuers listed on GEM. The waiver will only be a temporary measure pending relevant changes to the Listing Rules and the law allowing summarised financial statements.

RELEVANT RULES

1. Paragraph 8(1) of the Main Board Listing Agreement provides that a listed issuer shall send to its members and securities holders an Annual Report within a prescribed time.
2. Note 8.1 to Paragraph 8(2) further provides that the Annual Report must be in the English language and must be accompanied by a Chinese translation unless adequate arrangements have been made by the listed issuer to ascertain whether or not a securities holder requires a Chinese translation, in which case the listed issuer needs only send the Chinese translation to those securities holders who have requested a Chinese translation. In respect of overseas members, listed issuers are allowed to mail an English language version of its Annual Report if such document contains a prominent statement in both English and Chinese that a Chinese translation is available from the listed issuer on request.
3. Paragraph 10 of the Main Board Listing Agreement also requires that an Interim Report be issued in the same manner as set out in Paragraph 8.
4. Rules 18.03 and 18.54 of the GEM Listing Rules contain similar provisions.
5. For better communication with public investors and for environmental reasons, the Exchange envisages that there may be situations where listed issuers would prefer to send only one language of the Annual and/or Interim Reports to their members and securities holders. The waiver will be granted on a case by case basis for each of the Annual Reports and/or Interim Reports subject to the conditions mentioned below.
6. It is intended that the waiver will apply to the despatch of Annual and/or Interim Reports based on the same considerations mentioned in this announcement.

CONSIDERATION FOR THE GRANT OF WAIVER

The main consideration for the grant of waiver is to strike a balance between the interests of members and securities holders and the environmental protection consideration pending appropriate changes in the law and the Listing Rules. In processing every waiver application, the Exchange will require the applying listed issuer to demonstrate to the satisfaction of the Exchange that adequate arrangements will be made to ascertain the preference of members and securities holders as to which language of the Annual and/or Interim Reports they wish to receive.

CRITERIA FOR CONSIDERATION OF ADEQUATE ARRANGEMENTS

In every waiver application, the applying listed issuer must, at least, demonstrate to the Exchange that the following arrangements will be made :-

1. A letter together with a pre-paid reply form (“First Letter”), prepared in English and Chinese, must be sent by the applying listed issuer to its members and securities holders to enable them to select either an English or Chinese or both versions of the Annual and/or Interim Reports. The First Letter should clearly explain the consequential arrangement (see paragraph 3 below) if no reply is received from such members or securities holders by a certain date (“Deadline”).
2. The applying listed issuer must send the selected language version of the Annual and/or Interim Reports to those members and securities holders who have made a selection.
3. If no reply is received on or before the Deadline, the following arrangements will apply, where applicable :-
 - the Annual and/or Interim Reports will be sent in English to all overseas members and securities holders and all Hong Kong members and securities holders other than natural persons with a Chinese name;
 - the Annual and/or Interim Reports will be sent in Chinese to all Hong Kong members and securities holders who are natural persons with a Chinese name.

Whether a member or securities holder is a Hong Kong or an overseas person will be determined by his or its registered address.

4. When the Annual and/or Interim Reports are sent out according to the arrangements as set out in paragraph 3 above, a letter together with a pre-paid request form ("Second Letter"), prepared in English and Chinese, must be attached to or printed at some prominent place in the sent out versions of the Annual and/or Interim Reports stating that an Annual and/or Interim Reports prepared in the other language will be available upon request.
5. The Annual and/or Interim Reports in both English and Chinese versions and in accessible format must be available on the listed issuer's website and a soft copy of both languages of the Annual and/or Interim Reports must be filed with the Exchange as soon as practicable after the despatch of the Annual and/or Interim Reports to members and securities holders.
6. The applying listed issuer must provide a dial-up hotline service or other equivalent public communication channel acceptable to the Exchange to enable members and securities holders to make enquiry of the applying listed issuer's proposed arrangements.
7. The First Letter and the Second Letter will need to mention that both languages of the Annual and/or Interim Reports will be available on the website and a dial-up hotline service or other equivalent public communication channel will be provided as mentioned in paragraphs 5 and 6 respectively.
8. The applying listed issuer must make a public announcement stating the proposed arrangements at the same time as the First Letter is despatched to members and securities holders.

WAIVER APPLICATION

Listed issuers who wish to apply for the waiver under the conditions to be imposed may submit an application to the Exchange together with all the relevant details. Listed Issuers are however reminded that each application will be considered on a case by case basis and the Exchange may impose further conditions on individual applicants should it consider them appropriate. The Exchange may or may not grant the waiver in relation to any particular application.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"Annual Report(s)"	copy or copies of the annual report and the group accounts, together with copy or copies of the auditor's report as referred to Paragraph 8 (1) (b) and Note 8.1 to Paragraph 8(2) of the Listing Agreement and Rule 18.03 of the GEM Listing Rules
"Exchange"	The Stock Exchange of Hong Kong Limited
"GEM"	Growth Enterprise Market
"Interim Report(s)"	copy or copies of the interim report referred to in Paragraph 10 of the Listing Agreement and Rule 18.54 of the GEM Listing Rules
"SFC"	Securities and Futures Commission

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