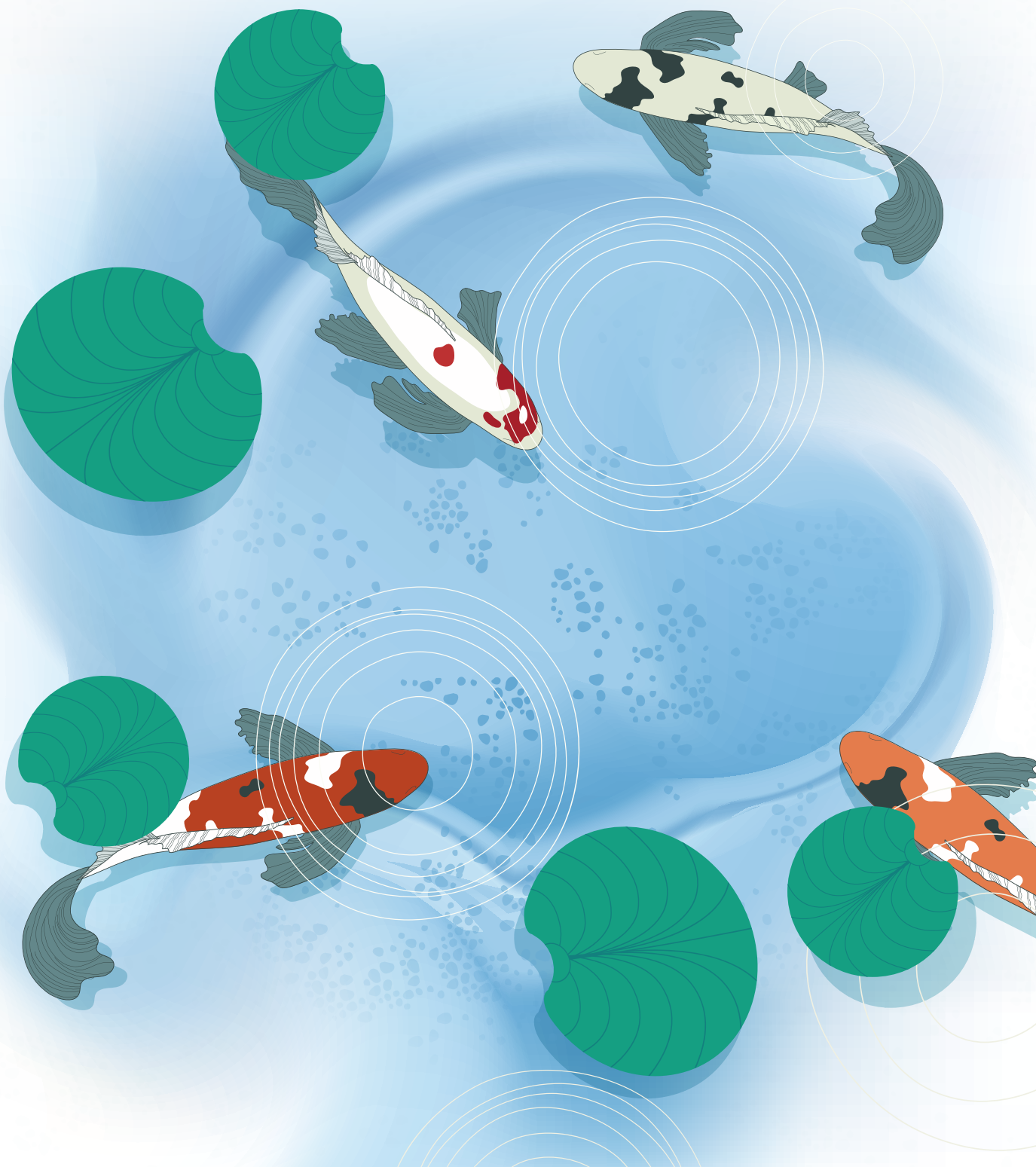




Hong Kong Exchanges and Clearing Limited
香港交易及結算所有限公司

The Listing Committee Report 2012



1. INTRODUCTION

- 1.1 This report is an account of work of the Listing Committee¹ of The Stock Exchange of Hong Kong Limited (the “Exchange”) for the year ended 31 December 2012. It highlights the issues the Listing Committee has dealt with during the year which it believes will be of greatest interest to the investing public, practitioners and listed companies, and outlines the position or action the Listing Committee, the Listing Division and the Exchange have taken. It also includes a policy agenda of issues that the Listing Committee anticipates it will discuss in 2013 and beyond.
- 1.2 It has been prepared for the board of the Exchange and the board of its parent company, Hong Kong Exchanges and Clearing Limited (“HKEx”). It will be forwarded to the Financial Services and Treasury Bureau (“FSTB”), the Securities and Futures Commission (the “SFC”) and posted on the HKEx website.
- 1.3 The Listing Committee has no staff and no budget. The members of the Listing Committee are offered a fixed annual fee of HK\$80,000 on account of attendance at and preparation for regular, policy, disciplinary and review meetings.

2. COMPOSITION AND ROLE OF THE LISTING COMMITTEE

MEMBERSHIP

- 2.1 The Listing Committee consists of 28 members (or such greater number that the board of the Exchange shall agree) as follows:
- At least eight individuals who the Listing Nominating Committee (“LNC”) considers will represent the interests of investors.
 - Nineteen individuals who the LNC considers will be a suitable balance of representatives of listed issuers and market practitioners including lawyers, accountants, corporate finance advisers and Exchange Participants or officers of Exchange Participants.
 - The Chief Executive of HKEx as an ex-officio member.

¹ The Main Board and GEM Listing Committees have operated as a combined committee since 2003, and membership of the committees was fully unified in May 2006. The expression “Listing Committee” refers to the combined committees.

ROLE AND MODE OF OPERATION OF THE LISTING COMMITTEE

- 2.2 The Listing Committee acts both as an independent administrative decision maker and an advisory body for the Exchange. It has four principal functions:
- To oversee the Listing Division (to the extent practicable given the Committee’s mode of operation).
 - To provide policy advice to the Listing Division on listing matters and to approve amendments to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“Main Board Listing Rules”) and Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (“GEM Listing Rules”).
 - To take decisions of material significance for listing applicants, listed companies and the individuals concerned. These include approvals of listing applications and cancellations of listing and disciplinary matters.
 - To act as a review body (in its role as the Listing (Review) Committee) for decisions made by the Listing Division and by the Listing Committee.
- 2.3 Initial policy development, market developments and certain operational matters are considered at Listing Liaison Forum (“LLF”). This comprises the Committee’s chairman and two deputies, the Chief Executive of HKEx, and the Head of Listing. LLF generally meets on a monthly basis. In addition, during the year, the Chairman and Head of Listing presented a briefing on listing policy matters at a meeting of the HKEx Board.
- 2.4 A more detailed description of the role and mode of operation of the Listing Committee and its approach to handling conflicts of interest is set out on the HKEx website at www.hkex.com.hk/eng/listing/listcomrpt/documents/LCRole_Mode.pdf.

3. MAIN ISSUES ARISING IN THE YEAR

This section contains the issues the Listing Committee has dealt with during the year which it believes will be of greatest interest to the investing public, practitioners and listed companies, and outlines the position or action the Listing Committee, the Listing Division and the Exchange have taken.

CONSULTATIONS

Consultation Conclusions on Environmental, Social and Governance Reporting Guide

- 3.1 The Exchange published a Consultation Conclusions paper on ESG Reporting Guide in August 2012. Having considered the responses to the consultation, the Exchange decided to implement the ESG Reporting Guide as a recommended practice. It applies to issuers with financial year ended after 31 December 2012. Subject to further future consultation, the Exchange plans to raise the obligation level of some requirements to “comply or explain” by 2015.
- 3.2 The Consultation Conclusions are available on the HKEx website at www.hkex.com.hk/eng/newsconsul/mktconsul/Documents/cp201112cc.pdf.
- 3.3 Throughout the year 2012, the staff of the Listing Division have given talks, seminars, and have participated in conferences organised by professional bodies and industry groups on the ESG Reporting Guide.

- 3.4 On 26 May 2012, the Listing Committee and Outward Bound Hong Kong successfully held their “Pedal Power” fundraising event for the second consecutive year. A total of 46 participants including members of the Listing Committee and their families and staff of the Listing Division cycled the 18km route or 30km “elite” route from Tai Mei Tuk to the Hong Kong Science Park. The event raised \$0.91 million in donation to allow close to 300 specially-selected students from local secondary schools to experience a 5-day Outward Bound leadership course designed to help them develop confidence and reach their full potential.

Consultation Conclusions on Trading Halts

- 3.5 On 27 July 2012, the Exchange published a Consultation Paper to seek market views on a proposed model for implementing a trading halt that would allow publication of price sensitive information during trading hours subject to a trading halt. The Consultation Paper is available on the HKEx website at www.hkex.com.hk/eng/newsconsul/mktconsul/Documents/cp201207.pdf.
- 3.6 The consultation period ended on 8 October 2012 and the Exchange received 58 submissions from listed issuers, professional bodies/industry associations, Exchange Participants, broker associations and individuals. A majority of the respondents supported the proposal to publish price sensitive information during trading hours subject to a short trading halt.
- 3.7 Subject to the approval of the SFC, the Exchange plans to issue the Consultation Conclusions in the first quarter of 2013. A detailed implementation plan will be announced in due course.

Consultation Conclusions on Rule Changes Consequential on the Statutory Backing of Continuing Obligation for Listed Companies to Disclose Inside Information

- 3.8 The Securities and Futures (Amendment) Ordinance 2012, Part XIVA of which contains the statutory obligation on listed corporations to disclose inside information, was gazetted on 4 May 2012.
- 3.9 As a result of the implementation of the statutory regime with effect from 1 January 2013, the Listing Rules have to be amended to minimise duplication and overlap with the new law. The main change is to remove the continuing disclosure obligations in the Listing Rules which become part of the statutory regime. In addition, a range of amendments consequential on the removal of these core provisions are made.
- 3.10 A Consultation Paper on the proposed Rule changes was published on 3 August 2012. The consultation period ended on 3 October 2012. The Consultation Conclusions were published on 30 November 2012, with the Rule changes taking effect from 1 January 2013.
- 3.11 The Consultation Paper and the Consultation Conclusions are respectively available on the HKEx website at www.hkex.com.hk/eng/newsconsul/mktconsul/Documents/cp201208.pdf and www.hkex.com.hk/eng/newsconsul/mktconsul/Documents/cp201208cc.pdf.
- 3.12 The Listing Division organized 5 sessions of Listing Rule seminars with the SFC in Hong Kong, Shanghai and Beijing from 5 to 14 December 2012. Each session covered both the new inside information regime and connected transactions.

- 3.13 A total of 1,666 participants representing 914 listed companies, 114 market practitioners and 7 regulatory bodies/professional organisations attended these 5 sessions. The participants' overall response was generally positive (75% ranked very good or above). The webcasts for the English, Cantonese and Putonghua sessions held in Hong Kong, together with the presentation materials, will be posted on the HKEx website for the benefit of listed issuers' representatives who were unable to attend the seminars.

Consultation Conclusions on Board Diversity

- 3.14 The Exchange published a Consultation Paper on Board Diversity on 7 September 2012 and at the end of the consultation period, received 139 responses. In view of strong support, the Exchange decided to implement the proposals set out in the Consultation Paper and published the Consultation Conclusions on 13 December 2012.
- 3.15 The proposals included the introduction of a Code Provision that the issuer should have a policy concerning diversity in the board, and should disclose the policy or a summary of the policy in the corporate governance report.
- 3.16 The implementation date for the new measures is 1 September 2013.
- 3.17 The Consultation Paper and the Consultation Conclusions are respectively available on the HKEx website at www.hkex.com.hk/eng/newsconsul/mktconsul/Documents/cp201209.pdf and www.hkex.com.hk/eng/newsconsul/mktconsul/Documents/cp201209cc.pdf.

Consultation on Further Review of the Connected Transaction Rules

- 3.18 The Exchange amended a number of specific connected transaction requirements in June 2010 following a market consultation. It also took note of market comments and continued to review the connected transaction Rules.
- 3.19 In April 2012, the Exchange issued a guide on the connected transaction Rules (www.hkex.com.hk/eng/rulesreg/listrules/listguid/Documents/ctguide_e.pdf) to assist issuers to understand and comply with them. The guide is written in plainer language and organized in a more straightforward manner. It covers all the existing Rule requirements on connected transactions and the related guidance published in listing decisions and FAQs.
- 3.20 In July and November 2012, the Committee reviewed the current model for regulating connected transactions and the regulation of related party transactions in other jurisdictions. It concluded that a robust framework for connected transactions is a critical component of the Exchange's corporate governance framework. The Committee resolved that while certain areas where the risk of abuse appears to be remote could be relaxed, the Exchange's overall regulatory approach to connected transactions is appropriate and does not merit a fundamental redesign.
- 3.21 The Committee considered a number of proposals to simplify the connected transaction Rules including introducing further exemptions for connected persons at the subsidiary level, amendments to simplify the structure of the Rules and address anomalies, with a view to improving the clarity of the Rules, and simplifying the language of the Rules by replacing the current Chapter 14A with the plain language guide to connected transaction Rules. These should improve the ease of compliance for issuers while maintaining the same level of investor protection. The Exchange has been working with the SFC and intends to publish a consultation paper on the proposals in 2013.

LISTING DOCUMENTS

Simplifying Listing Documents and Procedures

- 3.22 The Listing Division has continued to work on its initiative to simplify listing documents and procedures under the guidance of the Listing Committee. Progress made 2012 includes the following:

Summary Section of Listing Documents

- 3.23 The Exchange published a guidance letter, HKEx-GL27-12 on 12 January 2012 on how to draft the “Summary and Highlights” section in a concise, easy to read manner in plain language. It also provides guidance on what information should be included in the section.
- 3.24 On 19 March 2012, the Listing Division held an interactive forum with market practitioners to familiarize them with the simplified approach for a succinct and informative listing document. Distinguished speakers attended to share their experiences on how to create plain English documents based on the regulations in the United States and Australia, and over 150 participants at the forum were shown case studies.

Risk Factors, Industry Overview, History and Development and Business Sections of Listing Documents

- 3.25 The Exchange published three guidance letters on how to prepare the “Industry Overview”, “History and Development” and “Business” sections in listing documents on 31 January 2013 to help investors assess the risks and returns associated with an offer and make informed investment decisions. The guidance letters provide general principles on what information should be included and how to present such information in a simple, concise and reasonable manner. The publication of the guidance letter on how to prepare the “Risk Factors” section is underway.

Application Forms and How to Apply Section of Prospectus

- 3.26 The Listing Division has started to review the white and yellow application forms (AFs) and relevant sections on how to apply for Hong Kong offer shares in the prospectus (HTA) to eliminate unnecessary repetition of information, make the content more concise and encourage the use of plain language. The Listing Division will seek legal advice on its proposed changes in the AFs and HTA.
- 3.27 The Listing Division will continue to work on simplifying listing documents and procedures, and work with market practitioners to implement the simplified approach.

Review of Forward Looking Statements in Listing Documents

- 3.28 The Committee reviewed the Exchange’s practices on forward looking statements in listing documents and compared them with those adopted by overseas exchanges.
- 3.29 The Committee noted that whilst disclosure of forward looking statements such as a statement of financial and trading prospects after the trading record period is required under the Listing Rules, inclusion of a profit forecast is not mandatory.

- 3.30 The Committee noted that for applicants whose financial condition significantly deteriorated after the trading record period, for example, a significant decrease in profit margins or reduction in revenue, the inclusion of a profit forecast in the listing document could highlight the downward trend and thus the associated risks.
- 3.31 After considering the practical difficulties for some applicants to forecast their results accurately and that major overseas exchanges do not impose a profit forecast in the listing document, the Committee concluded that inclusion of profit forecasts in listing documents should continue to be voluntary.
- 3.32 Nevertheless, the Committee endorsed a proposal to provide more guidance on the disclosure of material adverse changes after the trading record period. In August 2012, the Exchange published Guidance Letter HKEx-GL41-12 on the disclosure of material changes in financial, operational and/or trading position after trading record period which includes non-exhaustive examples of information which may need to be disclosed.

LISTING MATTERS

Update on Review of Overseas Listings Regime

- 3.33 In 2012, the Listing Division worked closely with the SFC to review and revise the Joint Policy Statement Regarding the Listing of Overseas Companies. The goal is to facilitate the listing of overseas companies by clarifying requirements and setting out jurisdiction based guidance. For secondary listings, the Exchange aims to clarify its disclosure-based approach for seasoned issuers listed on reputable exchanges. The Exchange updated the Committee on progress in July and November 2012 and aims to issue the revised Joint Policy Statement in the first quarter of 2013.

Guide on Enhancing Regulation of the Listed Structured Products Market

- 3.34 In July 2012, the Exchange published a Guide on Enhancing Regulation of the Listed Structured Products Market (the “Guide”) which aims to foster higher standards across structured products issuers, enhance service levels of liquidity providers and promote the healthy long-term development of Hong Kong’s listed structured products market.
- 3.35 The Guide is available on the HKEx website at www.hkex.com.hk/eng/rulesreg/listrules/listguid/Documents/guideline0712.pdf.
- 3.36 The Guide covers a number of regulatory enhancement measures in the following main areas:
- Improvement of liquidity provision service levels;
 - Standardization of listing documents;
 - Management of issuers’ credit risks; and
 - Enhancements of issuers’ internal controls.
- 3.37 Most of these regulatory enhancements measures were implemented in 2012.

Update on Review of Structured Contracts

- 3.38 Listing applicants have, since 2004, adopted various contract-based arrangements (Structured Contracts) to gain control over and receive all economic benefits derived from the operating entities which the applicants have no equity interests. These Structured Contracts are for the purpose of complying with the requirements which prohibit or restrict foreign investment in the operating entities. The Exchange's standard of review in relation to these Structured Contracts is set out in Listing Decision HKEx-LD43-3.
- 3.39 At the policy meeting held in July 2012, the Committee reviewed whether the Exchange's practice on Structured Contracts was in line with the best practice adopted in the U.S. Based on the advice from an independent U.S. legal adviser, the Committee concluded that there was no significant difference between the Hong Kong and the U.S practices, and recommended enhanced disclosures of the Structured Contracts in listing documents to align the Exchange's practice with the U.S. practice. HKEx-LD43-3 was updated in August 2012 to include additional disclosure requirements for Structured Contracts.
- 3.40 The Committee decided in November 2012 that listing applicants adopting Structured Contracts do not need to purchase insurance to cover the additional risks related to the Structured Contracts, such as, the political risk insurance offered by Multilateral Investment Guarantee Agency and Overseas Private Investment Corporation, as it is a commercial decision of an applicant whether to buy insurance to cover those risks. As these applicants are subject to significant risks, especially where the risks are not covered by any insurance, the Committee considered prominent disclosure should be made in their listing documents. HKEx-LD43-3 was therefore updated in December 2012.

Guidance on General Principles for Listing of Business Trusts and Stapled Securities

- 3.41 In response to market demand and Government encouragement, the Listing Division and the SFC worked to explore ways to list active businesses by way of a trust under the existing Hong Kong regulatory framework. On 29 November 2011, HKT Trust became the first business trust listed in Hong Kong using a form of "stapled security" structure.
- 3.42 On 17 August 2012, the Exchange issued guidance to the market to assist listing applicants considering listing a business trust. This guidance explains the overriding principle that key relevant Securities and Futures Ordinance provisions must apply to provide investor protection standards comparable to those required of a listed corporation. The guidance describes possible structures that can be used to achieve this aim, including the use of stapled securities.
- 3.43 The guidance also describes possible approaches to address the application of Listing Rules and Takeovers Code. It covers issues such as the potential conflict between the trustee-manager's duties to its controller and those to the trust's unitholders. The Exchange will invoke Rule 2.04 to impose additional requirements and modifications to the Listing Rules on a case-by-case basis to address the issues arising from listing business trusts and stapled securities.

Review of the Operation of New Rules for Mineral Companies

- 3.44 The new Rules for mineral companies (Main Board Chapter 18/GEM Chapter 18A) came into effect in June 2010. The new Rules aim to provide clear guidance to mineral companies and listed issuers participating in the natural resources industry on information disclosures to investors and shareholders, and align our Rules with global standards.
- 3.45 In November 2012, the Committee considered a review report on the operation of the new Rules and whether any refinement was necessary. The review covered i) disclosures in competent person reports and valuation reports prepared for listed issuers and new applicants, and in financial reports of listed issuers on the progress and development of their mining and oil and gas assets; ii) the interpretation of the new Rules, particularly areas where guidance was given or waivers granted in specific cases; iii) soft consultations with selected market practitioners on the Rules; and iv) the recent developments of the regulation of mineral companies in other jurisdictions.
- 3.46 The review indicated that in general the quality of issuers' reporting and disclosure on mineral and petroleum assets has improved as intended, and the new Rules have been adopted without material issues. The Committee noted some market comments seeking clarification or relaxation of specific Rule requirements, and endorsed the Listing Division's proposal to give guidance to the market on the Exchange's experience with the interpretation of the new Rules and the waivers granted in specific cases.
- 3.47 The Committee revisited a number of issues that were considered but not adopted at the time of the Rule amendments, including the acceptance of the Chinese standards for competent person reports and the International Valuation Standards (IVS) for valuations, and the listing of early exploration companies. The Committee decided not to propose further changes at this time, and to keep monitoring developments in these areas. In particular, the Committee noted that while efforts were underway in 2009 to revise the Chinese reporting system to make it more compatible with internationally recognized standards under the Committee for Mineral Reserves International Reporting Standards (CRIRSCO) codes, there were no major development since the time of the Rule amendment.
- 3.48 The Committee also noted that the IVS Council published its "Extractive Industries Discussion Paper" seeking views on the development of a new IVS dedicated to the extractive section, and in the meantime the guidance note on the Extractive Industries was withdrawn. The Committee also noted that applicants with at least a meaningful portfolio of contingent or indicated resources are allowed to list under the new Rules provided there is a clear path to production. This is a relaxation from the old requirements. The Committee would continue to gather experience in this area before considering further relaxation of the listing requirements.
- 3.49 The Committee also considered developments of regulation in other jurisdictions. In particular, in 2012 the Australasian Joint Ore Reserves Committee released an exposure draft of the revised JORC Code (2012). The proposals seek to create a more transparent and balanced reporting regime for exploration results, mineral resources and ore reserves. As the JORC Code is one of the accepted mineral reporting standards under the Rules, it is expected that any revisions to the JORC Code will need to be adopted by competent persons preparing reports for listed companies or new applicants under the new standard.
- 3.50 On 11 January 2013, the Exchange published a guidance letter on continuing obligations under Chapter 18 of the Listing Rules (Mineral Companies) and seven listing decisions on the requirements for Mineral Company under Chapter 18 of the Listing Rules.

Review of the Requirements on Independent Financial Advisers

- 3.51 Under the Listing Rules, an issuer is required to appoint an independent financial adviser (IFA) to advise its independent directors and shareholders on (i) connected transactions; (ii) issuance of securities where the issue is materially dilutive to shareholders; and (iii) other specific transactions or corporate actions such as withdrawal of listing.
- 3.52 In July 2012, the Committee considered an information paper on the IFA requirements, including a statistical analysis of IFA letters published between 2009 and 2011, findings on a sample review of the IFA letters, and a comparison of our IFA requirements with those in other major jurisdictions. During this period over 1,800 letters were issued by IFAs on transactions conducted by approximately 800 issuers. A majority of those issuers conducted more than one transaction during the 3-year period, over 70% of which appointed the same IFA for more than one transaction. Over 90 IFAs provided fairness opinions, and over 40% of the IFA letters were prepared by the top 10 IFAs. While a large majority (approximately 75%) of transactions involved transactions between the issuer and its connected persons, fundraising transactions were the second largest group of transactions, representing about 17%.
- 3.53 The review indicated that some areas merited further consideration, including the independence of IFAs in circumstances where they perform repeated engagements for the issuer; the relevance and usefulness of IFA opinions in some types of transactions where there were no conflict of interest; and the quality of IFA letters, the disclosures therein and their usefulness to the readers in certain circumstances.
- 3.54 The Listing Committee endorsed the Listing Division's recommendation to conduct soft consultations with market practitioners, users and directors of issuers to further explore the issues and formulate proposals.

Issuers' Handling of Market Comments and Disclosure Obligation to Avoid the Establishment of a False Market

- 3.55 During 2012, scandals and negative publicity on accounting and corporate governance issues relating to some US-listed Chinese companies undermined market confidence in these companies globally, and to some extent, in the local market. These concerns were exacerbated by some short sellers publishing negative research reports on individual companies.
- 3.56 A number of published research reports made allegations about accounting irregularities and questioned the credibility of the issuers' business models, implicating poor corporate governance practices and directors' incompetence. These reports were generally prepared based on public information published by issuers and using the analysts' own modeling and assumptions. Some research houses also disclosed that they short sold securities prior to issuing the report. The Exchange has noted that while the market has, to a certain extent, discounted these allegations, these attacks raised concerns on the potential disruption to a fair and orderly market.
- 3.57 The Exchange considers that as a general measure to prevent false markets, issuers could improve transparency through disclosure and adopting better corporate governance. To address concerns about the creation of a false market, the Exchange has adopted a series of measures, including publication of a letter to all issuers in May 2012 to remind them of the approach to handling market rumors and their obligation to disclose information necessary to avoid the establishment of a false market, and encourage them to improve transparency through the publication of trading updates. In July 2012, the Exchange tightened the eligibility criteria for designated securities for short selling.

3.58 In addition, as part of the Exchange's regular monitoring activities, it reviewed disclosures of issuers with higher financial or business risks or corporate governance issues, with a view to improving their transparency and enhancing corporate governance. The Exchange gave guidance to these issuers on disclosures to provide shareholders with a better understanding of the issuers' business and financial performance. In some cases, issuers engaged independent consultants to review their internal reporting and controls. The Committee also welcomes the more robust approach taken by auditors in isolated cases involving suspected accounting irregularities, as evidenced by their resignations and increased transparency in articulating reasons for their resignations in the issuers' announcements.

Annual Report Review Program

3.59 As part of its regular regulatory activities, the Listing Division reviews issuers' annual reports to monitor their compliance with the Rules and disclosure of material information. In November 2012, the Committee was presented with papers on the Division's findings from its review of the annual reports of issuers with financial year ended on 31 December 2011. Key areas reviewed included: disclosures of development about material acquisitions conducted by issuers; connected transactions; disclosure by mining companies and investment companies; and disclosure by newly listed issuers.

3.60 Based on the responses to the Division's enquiries made during the review, there were no significant breaches of the Rules except a small number of non-compliance cases where we followed up with individual issuers. The review also identified areas where there are common minor non-compliances, and where disclosures can be improved in the interest of improving transparency. The Exchange will issue further guidance in these areas. The Committee also agreed that the program will focus on different thematic areas.

SFC Legal Proceedings Over Access to Accounting Records

3.61 Accounting and audit working papers relating to companies applying for listing must be capable of being produced either directly to the SFC or via the relevant Mainland authority under standing arrangements for cooperation. The Committee noted that on 27 August 2012 the SFC commenced proceedings in the Court of First Instance against a firm of accountants for failing to provide accounting records and audit working papers relating to the firm's work as auditor and reporting accountant. The Court can order the accounting firm to comply with the SFC's request if it is satisfied that the accounting firm does not have a reasonable basis for not complying with the SFC's request. The Committee continues to monitor developments in this case.

4. MEETING STATISTICS AND ACTIVITIES

MEETINGS TO APPROVE NEW LISTING APPLICANTS

4.1 One of the principal items of business of the Listing Committee's regular meetings is considering whether or not to approve new listing applications for the Main Board. Applications for listing on GEM are considered by the Listing Division, with applicants retaining a right of appeal to the Listing Committee. Listing applications are considered on the basis of reports from the Listing Division, which include a recommendation on whether or not to approve the application. In respect of each application considered by the Committee it may approve the application, with or without the imposition of conditions, reject the application or defer a decision pending the submission of further information. Statistics in relation to listing applications handled by the Listing Committee are set out in the tables below.

Meetings at which IPO applications were considered	2012	2011
Meetings Within the Regular Schedule	39	46
Specially Convened Meetings	1	6

Listing Applications considered by the Listing Committee	2012	2011
Applications Considered (see note 1 below)	63	133
Applications Approved (see note 2 below)	55	127
Applications Rejected (see note 3 below)	5	3
Decisions Deferred Pending Further Information (see note 4 below)	3	3
Applications approved and listed in the year	37	77
Applications approved in previous year and listed in the year	13	12
Applications listed in the year	50	89

Notes:

- (1) In 2011 includes a Very Substantial Acquisition and reverse takeover treated as a new listing application.
- (2) In 2012 includes six applications approved at the second hearing. In 2011 includes four applications that were approved at the second hearing and one application that was approved at the fourth hearing.
- (3) In 2012 includes one application that was rejected at the second hearing.
- (4) In 2012 includes one application considered twice.

MEETINGS TO APPROVE CANCELLATION OF LISTING

- 4.2 The power to approve the cancellation of listing of securities (“delisting”) rests with the Listing Committee. Main Board companies may be delisted under the three-stage process set out in Practice Note 17 of the Listing Rules. They may also be delisted under Chapter 6 of the Main Board Listing Rules. GEM Listing Rules 9.14 to 9.18 deal with the delisting of GEM companies.
- 4.3 The Listing Committee’s approval is required to place a Main Board company in the third stage of the delisting procedures according to Practice Note 17 of the Listing Rules, to give a Main Board or GEM company notice of the Exchange’s intention to delist the company, or to cancel the listing of a Main Board or GEM company. The Listing Committee’s decision to delist a Main Board or GEM company may be subject to review by the Listing (Review) Committee and, in turn, also the Listing Appeals Committee.
- 4.4 Statistics in relation to delisting matters considered at the Listing Committee’s regular meetings are set out below:

Nature of decision (note 1)	Number of cases	
	2012	2011
Main Board		
Issuers to be placed into third stage of delisting procedures		
– Without issuer having submitted resumption proposal	2	2
– After rejecting resumption proposal as not viable	1	–
Listing to be cancelled after rejecting resumption proposal submitted as not viable (notes 2 and 3)	1	5
Issuer to be given notice of intention to delist under Rule 6.10 (note 4)	1	–
Trading to be resumed	1	6
GEM		
Issuer to be given notice of intention to delist under GEM Rule 9.14	1	1
Listing to be cancelled after rejecting resumption proposal submitted as not viable (note 5)	–	1

Notes:

- (1) Unless otherwise indicated these decisions were not appealed against.
- (2) The decision in 2012 was appealed against. The case will be heard by the Listing (Review) Committee (“LRC”) in 2013.
- (3) Two decisions in 2011 were appealed against and were upheld by the LRC. The two cases were heard by the Listing Appeals Committee (“LAC”) in 2012. In one case, the LAC upheld the LRC’s decisions and decided to cancel the listing of a company’s shares. In the other case, the LAC considered that the proposed transactions under the resumption proposal would constitute a reverse takeover subject to the new listing requirements, and decided to refer the new listing application back to the Listing Committee.
- (4) The decision was appealed against and the LRC will hear the case in 2013.
- (5) The decision in 2011 was appealed against and the LRC decided to allow the company to resume trading.

- 4.5 During the year, there were two cases where the Listing Committee served a notice of the Exchange's intention to cancel the company's listing under Main Board Rule 6.10 or GEM Rule 9.15 for reasons other than insufficient operations. These cases involved, among other things, the companies providing false or misleading information in the prospectuses for their initial public offerings. The Committee was of the view that these companies were not suitable for listing, and gave them a final period to provide an appropriate submission for the Committee to decide whether to cancel the listing. In one case the company appealed against the Committee's decision, and the review hearing will be held in 2013.
- 4.6 The Exchange has also noted a number of long suspended companies proposing business acquisitions, some of which had reverse takeover implications. The companies were required to submit new listing applications for the Exchange's approval. In these cases, the Committee also considered the dilution effect of the proposals to minority shareholders. In one case, the company appealed against the decision to classify its proposed acquisition as a reverse takeover, and the case will be heard by the Listing Committee in 2013.
- 4.7 As in previous years, some resumption proposals were rejected because they failed to demonstrate that the companies would have a business of substance and the business models are viable and sustainable. In these cases, the company had ceased to operate its business, or the size of the existing business was small. The business plans were only at a preliminary stage with no track record to demonstrate the company's ability to generate a sustainable level of profits, nor did the proposals include sufficient details to support the viability of the business models or achievability of the profit forecasts.
- 4.8 During the year, the Exchange has also noted that some companies submitted new resumption proposals during the review process. Long suspended companies should note that the delisting procedures already provide a sufficiently long period for them to submit resumption proposals. If a company submits a proposal at a very late stage, it runs the risk of the proposal failing to meet the Exchange's requirements and the company's listing being cancelled.

Legal actions concerning Styland Holdings Limited

- 4.9 The High Court civil proceedings against former Directors of Styland Holdings Limited brought by the SFC were concluded in 2012 with the disqualification orders made against those directors by the High Court for periods up to 12 years.
- 4.10 During 2012, the legal actions that had been brought by individuals claiming to be minority shareholders of Styland against senior members of the Listing Division were dismissed. The Committee noted that in one of these legal actions the High Court made a costs order against the claimant who complied with the order with full payment.

MEETINGS FOR OTHER REGULAR BUSINESS

- 4.11 At each regular meeting, the Listing Division provides the Listing Committee with information on companies whose shares have been suspended from trading since the last regular meeting of the Listing Committee. Each month, the Listing Committee receives an information paper on companies whose shares have been suspended for a prolonged period. This forms the basis for a monthly update that is published on the HKEx website in respect of long suspended companies.

4.12 An analysis of other matters considered at regular meetings during the year is set out below:

Nature of decision/advice sought	Number of cases	
	2012	2011
Approval of voluntary withdrawal of listing (Note)	26	6
Requests for pre-application guidance from potential IPO applicants	6	21
Approval of an issuer of structured products	2	1
Approval of waiver from providing an assured entitlement in a spin off	2	1
Approval of resumption proposal	1	5
Determination that a transaction was not a reverse takeover	1	2
Waiver of “bright line” test in Rule 14.06(6)(a)	1	–
Conditional approval for placings to a connected client of a sponsor	1	–
Approval for listing of debt securities not delegated to the Head of Listing	–	1
Consideration of spin off proposal	–	1
Eligibility of an individual to be an INED	–	1
Approval of resumption of trading in an issuer’s shares	–	1
Approval of continued suspension of trading in certain issues of structured products	–	1
Approval of waiver to reduce public float of an issuer	–	1
Approval of waiver from shareholder approval requirement in connection with capital reorganisation of subsidiaries	–	1
Rejection of waiver of requirement for one-third of an issuer’s board to be INEDs	–	1

Note: 2012 includes 13 ETFs (2011: nil) and three debt securities (2011: two)

REVIEW MEETINGS

4.13 The Listing Committee considered four (2011: five) requests for reviews of decisions made by the Listing Division or Committee during the year, some of which related to decisions that had been made in the previous year. The Listing Appeals Committee considered three (2011: two) requests for reviews. Details of these reviews are set out in the table below.

Appeal Committee	Decision made by	Nature of Decision	Number of Cases	Outcome as at 31 December 2012
Listing Appeals Committee	Listing (Review) Committee	Cancellation of listing following the rejection of a resumption proposal	1	Upheld
	Listing (Review) Committee	Cancellation of listing following the rejection of a resumption proposal	1	Overtured
	Listing (Disciplinary Review) Committee	Disciplinary sanction (Note 1)	1	Upheld
Listing (Review) Committee	Listing Committee	Rejection of application for waiver of Main Board Rule 3.10A	1	Overtured
	Listing Committee	Rejection of application for listing	2	Upheld
Listing Committee	Listing Division	Placing a company in second delisting stage	1	Upheld

Note 1: The meeting had initially been adjourned in May 2009 pending the outcome of proceedings instigated by the SFC

4.14 As at 31 December 2012, there were seven cases under review as follows:

Appeal Committee	Decision made by	Nature of Decision	Number of Cases
Listing Appeals Committee	Listing (Disciplinary Review) Committee	Disciplinary decision and sanction	3
Listing (Review) Committee	Listing Committee	Proposal for cancellation of listing	2
Listing Committee	Listing Division	Rejection of application for waiver of Main Board Rule 10.06(5) (note 1)	1
	Listing Division	Determination that an acquisition was a reverse takeover	1

Note 1: On 27 June 2011, the Listing Committee allowed the Company's application for an interim stay of the review proceedings until further notice.

DISCIPLINARY MEETINGS

- 4.15 Disciplinary matters are generally dealt with at specially convened meetings of the Listing Committee. For contested disciplinary actions, written representations are central to the process. A typical case will involve two rounds of written submissions from the Listing Division and from those alleged to have breached the Listing Rules (the listed issuer and/or its directors). At the hearing the Division and those against whom action is being brought are permitted to make oral representations to supplement their written submissions and Listing Committee members may ask questions of any party or its legal representative present at the meeting. The parties may thereafter make closing submissions.
- 4.16 For agreed disposal of disciplinary matters, a settlement proposal as agreed between the Listing Division and the relevant parties is tabled before the Listing Committee at a meeting for the Committee to consider and where appropriate, to endorse. All settlements are subject to the Committee's approval. For transparency and procedural fairness purposes, all the parties to the disciplinary action are invited to attend the meeting at which the settlement proposal is considered, and the Committee may ask questions of the parties present regarding the proposed settlement.
- 4.17 The practices and procedures for disciplinary matters have been established under Main Board Rule 2A.15 for a considerable period of time. In November 2012, a paper with proposed changes to the existing practices and procedures with a view to refining and streamlining them so as to expedite resolution of disciplinary matters was presented to the Listing Committee. The Committee was generally in support of the proposals. Further work is being undertaken to take this matter forward.

- 4.18 As in previous years, the Listing Division has continued to focus its resources on pursuing the most blatant and serious breaches of the Listing Rules with a view to utilising its existing resources to the best regulatory effect. These breaches tend to be cases where some form of public sanction will be sought against the listed company and/or directors. The enforcement strategy of the Exchange towards listed companies and their management is fully explained in both Chinese and English on the HKEx website.
- 4.19 The range of sanctions available to the Listing Committee under the existing enforcement regime is limited. The sanctions available are in the main shaming and reputational in character with a major distinction between those with publicity attached and those which remain in the private domain. This must be contrasted with the range of behaviour and conduct and differing roles of individuals who are the subject of disciplinary action. The narrow compass of sanctions available gives rise to considerable challenges in their fair application between the sometimes large number of individuals involved with their differing levels of culpability and an outcome which reflects the expectations of the Exchange and the market from the limited range available.
- 4.20 The Listing Committee, whilst recognizing the limitations on the available sanctions as discussed above, will, going forward, seek to deploy the available sanctions more creatively and in a manner which delivers an effective regulatory outcome to deal with the conduct of the relevant issuers and directors.
- 4.21 An analysis of the nature of the alleged breaches of the Listing Rules considered by the Listing Committee (whether in the disciplinary actions or by way of approved settlement) is set out below. One of the cases mentioned has been the subject of a first and then a review hearing by the Committee. The Committee also notes that the long standing disciplinary action commenced in December 2004 against Styland Holdings Limited and four former directors, as referred to in the 2011 Listing Committee Report, has been concluded with publication of a censure announcement in October 2012 following a resumed review hearing before the Listing Appeals Committee.
- 4.22 During 2012 the Listing Enforcement Department has referred 4 cases, which may include egregious breaches of the Listing Rules, to the statutory regulator for consideration of possible enforcement action. Consistent with the practice in previous years, disciplinary action may be brought before the Listing Committee at the conclusion of any action brought by the statutory regulator in respect of those matters in due course, where appropriate.
- 4.23 The Listing Committee has also noted that the Listing Division has continued to take a number of steps to identify serious breaches of the Rules and dispose of less serious cases earlier by, for example, warning or taking no action if appropriate. These steps, taken in line with established criteria published on the HKEx website (www.hkex.com.hk/eng/newsconsul/newsltr/2004/documents/2004-10-02-e.pdf) and with the overall objectives outlined in paragraph 4.18 above, have once again served to substantially reduce the back-log of cases to be dealt with and the number of cases to be heard this year.

Nature of Alleged Breach of Listing Rules	Meetings	Cases
Misstatement or misleading information in announcements or listing documents	1	1
Failure to disclose price sensitive information	3	3
Director's failure to comply with the dealing restrictions during the black-out period for director's dealings in shares of the company	5	4
Failure to obtain shareholder approval for connected transactions, major transactions or very substantial acquisitions	5	4
Total	14	12

Note: For the purposes of the above analysis cases involving more than one alleged breach of the Listing Rules are classified according to the most serious alleged breach of the Listing Rules.

4.24 Separately, in the year the Committee also held six first and review hearings in respect of disciplinary actions which remained ongoing as at the year end.

4.25 An analysis of the outcome of the above disciplinary cases concluded in the year is set out in the table below.

Outcome	No. of Cases
Public Sanction – published in period	8
Private Sanction – made in period	4
Total	12

4.26 The collective and individual responsibility of directors for compliance remains a cornerstone of the current enforcement regime. This obligation is refined by the application of the personal undertaking given by directors to the Exchange to procure Listing Rule compliance by listed companies encompassing due responsibility of ensuring substantive compliance with the Listing Rules and creating the conditions for compliance. Developing the broad enforcement themes mentioned above, action has been taken where appropriate against both executive and non-executive members of the board. The table below provides more detail and encompasses the outcomes of both public and private action at different levels against all directors who have been involved in disciplinary action before the Listing Committee.

	2010	2011	2012
Number of EDs against whom action was taken as a result of contested or settlement cases	30	17	37
Number of NEDs against whom action was taken as a result of contested or settlement cases	4	7	12
Number of INEDs against whom action was taken as a result of contested or settlement cases	18	15	17
Total	52	39	66

4.27 In addition, ongoing disciplinary actions concern a further 51 directors holding either executive or non-executive office.

- 4.28 Further, continuing a theme established in recent years, the Listing Committee has, in addition to imposing public and private sanctions to punish past conduct by listed issuers and their management, deployed its powers to require listed issuers and their management to take remedial action to rectify breaches of the Listing Rules and improve corporate governance. Such directions have, for example, imposed training requirements and an obligation to retain external assistance to create an internal control function.
- 4.29 A number of the cases considered by the Listing Committee during the year once again illustrate the importance of (a) issuers' taking steps to ensure that they have adequate and appropriate systems in place and (b) directors having proper understanding of the Listing Rule requirements to ensure that the issuers can meet their obligations to disclose price-sensitive information including in particular, any significant changes in their financial and business performance in a timely manner. In addition, certain cases have emphasized the Exchange's views on senior management responsibility with regard to compliance systems.
- 4.30 The Exchange continues to expect directors, as senior management, to take responsibility for ensuring that listed companies identify Listing Rule compliance risk, have appropriate systems and controls in place to mitigate these risks and ensure that the systems and controls work in practice. Where deficiencies are uncovered prompt remedial action will be important. Some listed companies expect that when they self-report compliance failings there should be no further regulatory action. Self-reporting cannot automatically lead to no sanction but, as in the past, it is a factor the Listing Committee considers, in the context of the facts and circumstances of each case, to mitigate the level of sanction.
- 4.31 The following table provides some information on the Listing Committee's work in this direction.

	2010	2011	2012
Number of disciplinary or settlement cases involving an “ Internal Control Review ” direction	1	1	4
Number of disciplinary or settlement cases involving a “ Retention of Compliance Adviser ” direction	5	1	7
Number of disciplinary or settlement cases involving a “ Training of Directors ” direction	6	7	10

- 4.32 As referred to in paragraph 4.16 above, some disciplinary matters are disposed of by settlement as approved by the Listing Committee. This approach has been adopted in a number of occasions in recent years and transparency in the process and the factors to be taken into account was the subject of an announcement on 22 June 2007. The rationale for the adoption of this policy, which has been the subject of commentary in earlier years, remains relevant and will not be repeated here. The full text of the announcement can be found on the HKEx website at www.hkex.com.hk/eng/newsconsul/hkexnews/2007/0706222news.htm.
- 4.33 Provided the terms represent a fair overall regulatory outcome and treatment of the conduct giving rise to regulatory concern and achieve the Exchange's regulatory objectives, the Listing Committee continues to welcome the efforts made by market users and the Listing Division to bring about the settlement and agreed disposal of disciplinary matters. Continuing the trend witnessed in the past few years, three disciplinary matters (representing 25% of actions disposed of this year) were concluded by settlement.

- 4.34 In summary, the Listing Committee has and will continue to use the existing limited powers available to it to sanction the conduct of issuers and directors who act in breach of the Listing Rules and also direct remedial and other actions designed to enhance the corporate governance of issuers who have acted in breach of the Listing Rules.
- 4.35 The Listing Committee would again take this opportunity to remind directors that the level of co-operation shown in helping the Exchange establish the facts during an investigation into suspected breaches is a factor taken into account in deciding what, if any, disciplinary action is appropriate. Directors are required by the terms of their undertaking to the Exchange, to cooperate with the Exchange to facilitate the performance of its regulatory function in responding promptly to enquiries and attending meetings with the Listing Division and the Committee when required. Breach of these obligations may give rise to disciplinary action distinct from the substantive breaches of the Listing Rules suspected.
- 4.36 As to the three areas where measures have been taken with a view to improving transparency as referred to in the Listing Committee's last four Annual Reports, the Committee would comment on them in turn. Firstly, the Committee would report that it has continued to take steps to expand on the information in public announcements concluding disciplinary action, including expanded reasons and more explanation for its actions.
- 4.37 Secondly, the Listing Committee has noted that there are now 7 announcements on the HKEx website made by the Listing Division requesting the assistance of directors in their enquiries. The full text of the announcements can be found on the HKEx website at www.hkexnews.hk/reports/raa/rfaa.htm.
- 4.38 Thirdly, the Listing Committee has also noted that the Listing Enforcement Department has delivered a total of 14 guidance letters of which 8 had been published on the HKEx website. No new letters were published during 2012. As a result of the implementation of the statutory regime to disclose inside information, three of the guidance letters are no longer effective and were repealed with effect from 1 January 2013. The full text of the remaining 5 guidance letters can be found on the HKEx website at www.hkex.com.hk/eng/rulesreg/listrules/interltr/2008int_letter.htm.

POLICY DEVELOPMENT MEETINGS

4.39 Policy matters are generally dealt with at policy meetings of the Listing Committee as this helps to ensure broad participation from the Listing Committee membership. The Listing Committee aims to hold policy meetings on a quarterly basis. Nonetheless it is sometimes necessary for issues to be considered at regular meetings of the Committee. These items are normally in the nature of reporting back on minor revisions to policy previously agreed at quarterly policy meetings or amendments to the Listing Rules which had previously been approved at quarterly policy meetings that were minor in nature but which, nonetheless, required the Listing Committee's approval. Policy matters were considered at 12 meetings during the year.

4.40 The table below summarises the policy matters considered at the Listing Committee's policy and regular meetings during the year.

Date	Items
23 February 2012 Regular meeting	<ul style="list-style-type: none">– Briefing on HKEx's Strategic Plan– Approval of Listing Committee Report 2011
1 March 2012 Regular meeting	<ul style="list-style-type: none">– Delegation of conditional authority to the Head of Listing to waive Main Board Rule 13.49(1)
5 March 2012 Policy meeting	<ul style="list-style-type: none">– Briefing on the Hong Kong accountants' report regime
17 May 2012 Regular meeting	<ul style="list-style-type: none">– Briefing on de-authorisation and delisting procedures for synthetic Exchange Traded Funds
12 July 2012 Regular meeting	<ul style="list-style-type: none">– Approval of South Korea as a jurisdiction of incorporation for listing applicants
16 July 2012 Policy meeting	<ul style="list-style-type: none">– Approval of Consultation Papers:<ul style="list-style-type: none">– Trading Halts– Board Diversity– Rule Changes Consequential on Statutory Backing to Listed Corporations' Continuing Obligation to Disclose Inside Information– Connected Transactions (Initial Draft)

Date	Items
	<ul style="list-style-type: none"> - Approval of: <ul style="list-style-type: none"> - Consultation Conclusions on Environmental, Social and Governance Reporting Guide - Guidance on listing of business trusts and stapled securities - Guidance for listing applicants with biological assets – treatment of unrealised valuation gains for the purposes of the trading record and profit requirements, disclosure in listing documents, and due diligence by sponsors and professional advisers - Guidance for listing applicants – disclosure of material changes in financial, operational and/or trading position after the trading record period - Soft consultation on Independent Financial Advisers - Minor amendments to the Listing Rules - Consolidated delegation of powers to the Head of Listing - Updates/briefings on: <ul style="list-style-type: none"> - Review of Requirements for overseas listings - GEM listing applications - Listing of Structured Products - Listing of Debt Issues for Professional Only - Directors' share dealings - Reviews of US practice in use of structured contracts by listing applicants
18 October 2012 Regular meeting	<ul style="list-style-type: none"> - Report on the Securities and Futures Commission's 2012 annual review of the Exchange's performance in its regulation of listing matters
25 October 2012 Regular meeting	<ul style="list-style-type: none"> - Approval of Consultation Conclusions on Rule Changes Consequential on Statutory Backing to Listed Corporations' Continuing Obligation to Disclose Inside Information (Initial Draft)
1 November 2012 Regular meeting	<ul style="list-style-type: none"> - Approval of Consultation Conclusions on Rule Changes Consequential on Statutory Backing to Listed Corporations' Continuing Obligation to Disclose Inside Information (Revised Draft)
8 November 2012 Regular meeting	<ul style="list-style-type: none"> - Approval of Consultation Conclusions on Rule Changes Consequential on Statutory Backing to Listed Corporations' Continuing Obligation to Disclose Inside Information (Final Draft)

Date	Items
26 November 2012 Policy meeting	<ul style="list-style-type: none"> <li data-bbox="598 253 1177 315">– Approval of Consultation Paper: <ul style="list-style-type: none"> <li data-bbox="638 286 1177 315">– Connected Transactions (Revised Draft) <li data-bbox="598 383 1358 510">– Approval of Consultation Conclusions and related Listing Rule Amendments: <ul style="list-style-type: none"> <li data-bbox="638 450 847 479">– Trading Halts <li data-bbox="638 486 868 515">– Board Diversity <li data-bbox="598 573 1385 808">– Approval of: <ul style="list-style-type: none"> <li data-bbox="638 607 1315 636">– Initial proposals to simplify IPO Application Forms <li data-bbox="638 642 1315 741">– Guidance on disclosures in Risk Factors, Industry Overview, History and Development, and Business sections of prospectuses <li data-bbox="638 748 1385 808">– Policy direction on disclosure of financial information by listed issuers <li data-bbox="598 871 1401 1070">– Updates/briefings on: <ul style="list-style-type: none"> <li data-bbox="638 904 1182 934">– Market concerns about Mainland Issuers <li data-bbox="638 940 1401 1001">– Listing applications for the ten months ended 31 October 2012 <li data-bbox="638 1008 1310 1037">– Policy initiatives in the structured products market <li data-bbox="638 1043 1219 1072">– Review of requirements for overseas listings <li data-bbox="598 1135 1385 1435">– Reviews of: <ul style="list-style-type: none"> <li data-bbox="638 1169 1385 1229">– Procedural Rules for Listing Committee Disciplinary and Review Hearings <li data-bbox="638 1236 1251 1265">– Operation of Chapter 18 of Main Board Rules <li data-bbox="638 1272 1129 1301">– Use of Rights Issues by listed issuers <li data-bbox="638 1308 1315 1368">– US practice in use of structured contracts by listing applicants (follow up) <li data-bbox="638 1375 1011 1404">– Newly listed issuers' results <li data-bbox="638 1411 948 1440">– Issuers annual reports
29 November 2012 Regular meeting	<ul style="list-style-type: none"> <li data-bbox="598 1503 1342 1563">– Approval of Labuan as a jurisdiction of incorporation for listing applicants

MEETING STATISTICS

4.41 The following meetings were held during the period covered by this report and in the preceding period

Nature of Meeting	Number of Meetings		Average Number of Members in Attendance	
	2012	2011	2012	2011
Regular Meetings:				
– With regular business only	36	43	15.6	15.0
– With policy items	9	9	20.3	19.9
Total	45	52	16.6	15.9
Review Meetings (*excluding reviews by Listing Appeals Committee)	4	5	6	5.8
Disciplinary Meetings	18	9	7.7	6
Quarterly and ad hoc policy meetings	3	3	20	25.7
Total	70	69		

5. POLICY AGENDA FOR 2013 AND BEYOND

5.1 We highlight below those matters we currently plan to consider during 2013 and beyond:

Prospectuses and listing process

- Amendments to Rules and procedures to complement SFC's reform of the sponsor regime
- Prospectus simplification
- Streamline listing application procedures and review of associated publication requirements
- Review of settlement process and timing
- Review of content of accountants' reports
- Review of placing guidelines

Listing Matters

- Review of Listings by overseas companies and secondary listings
- Review of listed structured products regime
- Review of new structured products classes
- Review of the definition of "subsidiary"
- Review of listing of investment vehicles

Ongoing obligations and other related matters

- Review of Connected Transaction Rules
- Development of XBRL taxonomy (facilitating exchange of information through an "eXtensible Business Reporting Language")
- Update on quarterly reporting
- Consultation Conclusions on trading halts
- Review of accounting provisions in the Listing Rules
- Review of disclosure of material contracts

6. CONCLUSION

- 6.1 2012 was another busy year for the Committee. I wish to thank my two deputy chairmen, fellow Committee members and the Listing Division for their continued support and hard work during the past year. On behalf of all members I would like to thank Mark Dickens, Head of Listing, for his invaluable advice, wise counsel and leadership, and wish him well on his forthcoming retirement.
- 6.2 This report was approved for submission to the boards of the Exchange and HKEx on 7 February 2013.



Carmelo Lee
Chairman

MAIN BOARD AND GEM LISTING COMMITTEE MEMBERS LIST (As at 31 December 2012)

Chairman

LEE Ka Sze, Carmelo

Deputy Chairmen

BROWN Stephen James

TAYLOR Stephen

Ex officio member

LI Xiaojia, Charles

Other members (in alphabetical order)

BROWN Tobias Josef

CHARLTON Julia Frances

CLARK Stephen John

DAVIS Nigel Justin

GOODING Nial Dennis Henry

HO Yvonne

IP Tin Chee, Arnold

JIANG Guorong

KEYES Terence Francois

LEUNG Heung Ying, Alvin

LEUNG Siu Tung, Anthony

LI Kai Cheong, Samson

LIU Ting An

MA Xuezheng, Mary

MALCOLM Andrew Craig

NG Meng Hua, Daniel

PHENIX Paul Anthony

SOUTAR James Alexander

SUN Po Yuen, Richard

TAN May Siew Boi

WANG Sing

WINTER Richard David

WONG Tin Yau, Kelvin

YEUNG Eirene

ATTENDANCE AT MEETINGS

	NATURE OF MEETING							
	Regular (45 Meetings)		Policy (3 Meetings)		Disciplinary (18 Meetings)		Review (4 Meetings)	
	Attended	%	Attended	%	Attended/ Eligible	%	Attended/ Eligible	%
Current Members								
Mr Carmelo Lee	40	93	3	100	4/12	33	0/0	n/a
Mr Stephen Brown ⁴	21	75	2	100	4/10	40	1/2	50
Mr Stephen Taylor ⁵	29	78	1	33	5/7	71	0/0	n/a
Mr Tobias Brown	32	139	3	100	10/11	91	3/3	100
Ms Julia Charlton ⁴	22	147	2	100	6/9	67	1/1	100
Mr Stephen Clark ⁴	21	140	1	50	3/7	43	0/0	n/a
Mr Nigel Davis	29	138	2	67	5/13	38	3/3	100
Mr Nial Gooding ⁴	20	143	2	100	7/9	78	1/1	100
Ms Yvonne Ho ⁴	21	140	2	100	5/7	71	0/0	n/a
Mr Arnold Ip ⁴	19	136	2	100	5/10	50	0/1	0
Dr Guorong Jiang	17	85	2	67	6/10	60	1/1	100
Mr Terence Keyes	27	123	2	67	8/11	73	1/1	100
Mr Alvin Leung	32	152	3	100	5/13	38	2/4	50
Mr Anthony Leung	25	109	3	100	4/8	50	0/1	0
Mr Samson Li	27	123	1	33	3/4	75	0/0	n/a
Mr Liu Ting An	31	148	1	33	6/14	43	0/1	0
Ms Mary Ma	28	133	3	100	3/10	30	1/1	100
Mr Andrew Malcolm ⁴	10	77	1	50	4/6	67	1/2	50
Mr Daniel Ng	31	135	3	100	1/10	10	0/0	n/a
Mr Paul Phenix	36	164	3	100	7/13	54	0/0	n/a
Mr James Soutar	20	95	1	33	7/13	54	1/3	33
Mr Richard Sun	14	70	2	67	4/11	36	0/2	0
Ms May Tan ⁴	8	62	1	50	4/8	50	0/2	0
Mr Sing Wang	18	90	1	33	3/12	25	1/1	100
Mr Richard Winter	22	100	2	67	1/6	17	1/2	50
Dr Kelvin Wong	24	109	2	67	1/11	9	2/3	67
Ms Eirene Yeung ⁴	21	150	2	100	3/8	38	0/1	0
Ms Teresa Ko ⁶	10	67	1	100	2/7	29	0/0	n/a
Mr John Moore ⁶	14	93	1	100	2/4	50	0/0	n/a
Ms Melissa Brown ⁶	11	138	1	100	2/4	50	0/2	0
Mr Robert Bunker ⁶	8	114	1	100	2/6	33	2/2	100
Ms Janine Canham ⁶	10	125	0	0	2/5	40	1/2	50
Mr Vincent Chan ⁶	6	86	1	100	0/6	0	0/2	0
Dr SK Fung ⁶	8	100	0	0	2/4	50	0/0	n/a
Ms Edith Shih ⁶	10	143	1	100	1/3	33	0/0	n/a
Mr Adrian Wong ⁶	6	86	0	0	2/4	50	1/2	50
Mr Charles Li	19	44	2	67	-	-	-	-

Notes:

- (1) For the chairman, deputy chairmen and the Chief Executive the percentage attendance at regular and policy meetings is calculated based on total number of scheduled meetings in the period. For other members percentage attendance is calculated based on the member attending scheduled meetings in the period in accordance with the pooling schedule. A percentage in excess of 100 indicates a member attending more meetings than allocated under the pooling schedule.
- (2) For review and disciplinary meetings, percentage attendance is based on the number of meetings a member was eligible to attend having regard to potential conflicts of interest and whether the member had attended the meeting reaching the decision that was being reviewed. The members' unavailability due to other commitments on a scheduled date has not been taken into account in the table above. The Chief Executive does not participate in review and disciplinary meetings.
- (3) Attendance includes participation by telephone in policy meetings and regular meetings at which policy matters were discussed.
- (4) Members appointed on 4 May 2012.
- (5) Mr Stephen Taylor was appointed as a deputy chairman on 4 May 2012 having previously been an ordinary member.
- (6) Members retired on 4 May 2012.
- (7) Except where indicated members served throughout the year.

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