



**HKEX**  
香港交易所

Listing Committee  
Report 2023

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# Foreword

## Purpose of this Report

This report is an account of the work of the Listing Committee<sup>1</sup> of The Stock Exchange of Hong Kong Limited (the **Exchange**) for the year ended 31 December 2023. It highlights the matters the Listing Committee (the **Committee**) has dealt with during the year that it believes will be of greatest interest to the investing public, practitioners and issuers, and outlines the position or action the Listing Committee, the Listing Division (the **Division**) and the Exchange have taken. It also includes a policy agenda of matters that the Listing Committee plans to consider in 2024 and beyond.

This report has been prepared for the board of the Exchange and the board of its parent company, Hong Kong Exchanges and Clearing Limited (**HKEX**) and was approved by the Committee for submission to meetings of those boards held on 28 February 2024. It will be forwarded to the Financial Services and the Treasury Bureau, the Securities and Futures Commission (**SFC**) and posted on the HKEX website.

## The Committee's Workload

In 2023, the Listing Committee considered 73 listing applications, in addition to hearing 8 review and 28 disciplinary cases. Sub-committee meetings were held to discuss a wide range of policy matters, namely: a listing regime for Specialist Technology Companies, a review of GEM, a review of Chapter 15A of the Listing Rules governing structured products, and progressing corporate governance (**CG**) and environmental, social and governance (**ESG**) matters.

The Exchange also published four consultation papers and four consultation conclusions, together with various new guidance materials, in the year.

## Further Developing the Market

In 2023, despite the negative global market sentiment, we continued to see greater diversification of choice for issuers and investors. By the end of 2023, two de-SPAC transactions were announced, and listings under the specialist Listing Rule chapters (namely Chapters 8A, 18A, 18B and 19C) accounted for 22% (2022: 20%) of total market capitalisation and represented 22% of market turnover (2022: 23%).

To further broaden capital market access, the Exchange launched Chapter 18C to establish a new listing route for specialist technology companies across five frontier industries in March 2023. The new Chapter aims to drive growth in talent and investment across these industries which are critical to the new economy and elevate Hong Kong's position as the listing venue of choice for innovative companies from around the world.

<sup>1</sup> 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 expressions "Listing Committee" and "Committee" refer to the combined committee.

The GEM listing reforms were implemented on 1 January 2024 following majority support for our consultation proposals. The reforms were part of the Exchange’s commitment to provide an efficient and supportive listing environment for small and/or medium sized enterprises (**SMEs**) across the Greater Bay Area and beyond. The proposals will enhance GEM’s attractiveness to SMEs seeking a listing and reduce compliance costs for GEM issuers.

The Exchange further broadened its global connections in 2023. Following the signing of a Memorandum of Understanding with each of the Saudi Exchange (**Tadawul**) and the Indonesian Stock Exchange (**IDX**), a framework was developed to allow the addition of new foreign stock exchanges to the list of Recognised Stock Exchanges. The addition of Tadawul and IDX to the list enabled companies with a primary listing on the Main Market of both exchanges to apply for a secondary listing in Hong Kong. By increasing the number of Recognised Stock Exchanges, we further increased the attractiveness of our listing framework and enhanced opportunities for both overseas issuers and investors.

## Enhancing Market Liquidity

To give issuers greater flexibility to manage their capital structure, the Exchange established a framework for granting waivers to allow issuers to conduct automatic share buy-back programmes on the Exchange. The Exchange also published, in October 2023, a consultation paper on allowing issuers to hold shares in treasury rather than to cancel them after repurchase.

In November 2023, the Exchange introduced a new exemption from “double dipping” restrictions allowing the existing shareholders and cornerstone investors of a new applicant to subscribe for or purchase further securities in an IPO (i.e. to double dip) under certain specified conditions. The new exemption aims to provide more flexibility to independent investors and helps ensure that the IPO price discovery process is robust and results in a final offer price that reflects market opinion.

## Improving Efficiency

We continuously look for ways to streamline the Exchange’s practices and operations, particularly by leveraging new technology. In November 2023, the Exchange launched FINI<sup>2</sup> to shorten the cycle between IPO pricing and the start of trading from five business days to two business days, giving investors quicker access to new listings, reducing market risk and improving efficiency for all parties involved.

In 2023, we completely overhauled our guidance materials for new listing applicants by consolidating 114 separate pieces of guidance relating to new listing applicants into one single guide named “Guide for New Listing Applicants”. We have also reorganised all guidance letters and listing decisions relating to listed issuers into topical sections for ease of use. The revamp makes the Exchange’s guidance materials more accessible and enhances the efficiency of the listing process.

The implementation of our proposals to expand the paperless listing regime from the beginning of 2024 will drastically reduce the volume of paper that is submitted to us and the volume distributed by listed issuers to their shareholders. Furthermore, new applicants and listed issuers will, for the first time, be able to submit their prospectuses and accompanying documents to the Exchange and the Companies Registry electronically for digital authorisation and registration. The expansion in the adoption of the paperless listing regime will increase the efficiency of our regulatory processes and modernise communication between issuers, investors and other participants.

2 Fast Interface for New Issuance.

## Monitoring and Enforcing Our Rules

We continued to monitor issuers' activities and the suitability for listing of issuers unable to maintain a sufficient level of assets or operations. The Exchange also conducts periodic reviews of issuers' CG practice disclosures and published its [review report](#) in November 2023.

Enforcement actions of the Exchange seek to maintain the highest level of integrity, quality of the market and investor confidence. We aim to educate the market, improve corporate governance and culture, and deter parties subject to the disciplinary jurisdiction of the Committee from breaching their duties and the Listing Rules. In 2023, public sanctions were imposed on 18 listed issuers and 115 individuals. This included 22 prejudice statements<sup>3</sup> and 29 director unsuitability statements<sup>4</sup> made against directors for serious breaches of their obligations (2022: 42 in total).

We also imposed disciplinary sanctions in cases relating to newly-listed issuers. These cases involved inaccurate or incomplete disclosure, the making of questionable investments and/or payments around or shortly after listing, and internal control deficiencies.

Further, to facilitate a better understanding of INEDs' duties under the Listing Rules, we published a new guide for independent non-executive directors (**INEDs**)<sup>5</sup> in November 2023.

## Looking Ahead

Our focus in 2024, and beyond, will continue to be twofold as we work to both develop the Hong Kong market and enhance its quality.

To enhance listing standards of structured products and facilitate new product development, we intend to consult the market on the structured products regime (Chapter 15A of the Main Board Listing Rules).

Our ESG focus, in 2024, will be to conclude our consultation published in April 2023 on proposals to enhance climate-related disclosures under our ESG framework, by taking into account the jurisdictional guide for the adoption or other use of ISSB standards published by the ISSB<sup>6</sup> when finalising our Listing Rule amendments.

To further improve access to our guidance, we will continue to revamp our Frequently Asked Questions in 2024.

3 A statement of opinion made by the Committee that the retention of office by the director is/would have been prejudicial to the interests of investors.

4 A statement of opinion made by the Committee that the director is unsuitable to occupy a position as director or within senior management of the issuer in question or any of its subsidiaries.

5 "A snapshot of INEDs' Roles and Responsibilities".

6 The International Sustainability Standards Board (ISSB) published a "Preview of the Inaugural Jurisdictional Guide for the adoption or other use of ISSB Standards" in February 2024.

The Exchange is working to develop an Issuer Platform, which will serve as a one-stop communication channel between listed Issuers and the Exchange once launched. Issuers using the platform will be able to make submissions to the Exchange, generate announcements from their filings and submissions and publish them to HKEXnews on the same platform.

Information such as directorships, diversity statistics, corporate events and regulatory actions, that are currently disclosed in issuers' publications in unstructured formats, would be made available to the public on a new Public Issuer Information Database. Consolidating issuers' information on one platform will both enhance efficiency as well as save costs for investors and issuers.

A full list of our policy agenda for 2024 and beyond is set out below (see page 28).

I would like to thank the Committee members and the Division for their hard work and I look forward to another productive and successful year ahead.

A handwritten signature in black ink, appearing to read 'Renu Bhatia', written in a cursive style.

**Renu Bhatia**  
Chairman

# Main Topics Arising In The Year

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

## Consultations

### Consultation Conclusions on a Listing Regime for Specialist Technology Companies

2. In October 2022, the Exchange published a consultation paper seeking market feedback on proposals to expand Hong Kong's existing listing regime to permit listings of Specialist Technology Companies.
3. The Exchange received 90 non-duplicate responses from a broad range of respondents. Although we received majority support for most of our proposals, we made some adjustments to the new Rules, reflecting market feedback, whilst continuing to ensure that our regulatory intentions remained undiminished. The consultation conclusions were published on 24 March 2023.
4. A new Chapter 18C was added to the Main Board Listing Rules on 31 March 2023, since when companies seeking to list under the new chapter have been able to submit a formal application to the Exchange.
5. The key features of the Exchange's listing regime for Specialist Technology Companies are set out below.

#### Scope

- (a) Five Specialist Technology Industries: a Specialist Technology Company must operate in one of the following five industries: (i) next-generation information technology; (ii) advanced hardware and software; (iii) advanced materials; (iv) new energy and environmental protection; and (v) new food and agriculture technologies;
- (b) Categorisation: Specialist Technology Companies are categorised into Commercial Companies<sup>7</sup> and Pre-Commercial Companies<sup>8</sup>, with more stringent requirements for Pre-Commercial Companies given their risk profile;

#### Qualifications for listing

- (c) Commercialisation Revenue Threshold: a Commercial Company must have at least HK\$250 million revenue arising from its Specialist Technology business segment for the most recent audited financial year;

<sup>7</sup> A Commercial Company means a Specialist Technology Company that has revenue of at least HK\$250 million for its most recent audited financial year (Commercialisation Revenue Threshold).

<sup>8</sup> A Pre-Commercial Company means a Specialist Technology Company that has not yet met the Commercialisation Revenue Threshold at the time of listing.



- (d) Minimum market capitalisation: at the time of listing, a Commercial Company must have a market capitalisation of at least HK\$6 billion; and a Pre-Commercial Company must have a market capitalisation of at least HK\$10 billion;
- (e) Research and development (**R&D**): an applicant must have engaged in R&D for at least three financial years prior to listing, with expenditure amounting to a threshold percentage of its total operating expenditure;
- (f) Minimum third party investment: an applicant must have received meaningful investments from sophisticated independent investors;
- (g) Path to commercialisation: a Pre-Commercial Company must demonstrate and disclose in its listing document a credible path to commercialisation;

#### IPO requirements

- (h) More robust price discovery: at least 50% of the offer shares must be taken up by independent price setting investors in the placing tranche;
- (i) Minimum free float: an applicant must have a minimum free float of HK\$600 million upon listing;
- (j) Additional disclosure: an applicant must disclose in its listing document information including its commercialisation status and prospects as well as its R&D expenditure, experience and specific risks, with an appropriate warning statement;

#### Post-IPO requirements

- (k) Post-IPO lock-ups: restrictions on share disposal apply to controlling shareholders, key persons and certain sophisticated independent investors; and
- (l) Additional continuing obligations: a Pre-Commercial Company must include in its interim and annual reports details of its R&D and commercialisation activities.

6. The consultation paper, consultation conclusions and respondents' submissions are available to view on the HKEX website.

### Consultation Paper on ESG Reporting (Climate Disclosures)

7. On 14 April 2023, the Exchange published a consultation paper on proposals to enhance climate-related disclosures under its environmental, social and governance framework. The proposals were informed by the IFRS S2 Climate-related Disclosures (**ISSB Climate Standard**) exposure draft published by the ISSB and their subsequent deliberations. The Exchange stated that it would take into account the final ISSB Climate Standard when finalising the Listing Rule amendments.

8. The ISSB published its ISSB Climate Standard in June 2023 and further indicated that it would publish a jurisdictional guide for the adoption or other use of the ISSB standards (**ISSB Jurisdictional Guide**) in 2024 to support jurisdictional regulators on the local implementation of the new standards<sup>9</sup>.
9. The Exchange's consultation ended on 14 July 2023. The Division's proposals received 84% support on average from a broad range of respondents. There were also calls for wider alignment with IFRS S1 and IFRS S2, as well as requests for a roadmap towards the adoption of IFRS S1 and IFRS S2 in full.
10. The HKSAR Government will work with relevant financial regulators and stakeholders to develop a roadmap on the appropriate adoption of the ISSB standards for Hong Kong. The Exchange will finalise the Listing Rule amendments and publish the consultation conclusions, taking into account the recommended approaches under the ISSB Jurisdictional Guide. The implementation date of the Listing Rule amendments will therefore be postponed to 1 January 2025 to allow issuers more time to familiarise themselves with the new climate-related disclosure requirements.
11. The [consultation paper](#) and the [news release on an update to the consultation](#) are available to view on the HKEX website.

### Consultation Conclusions on Proposals to Expand the Paperless Listing Regime and Other Rule Amendments

12. In December 2022, the Exchange published a consultation paper seeking public feedback on proposals to expand the paperless listing regime.
13. The Exchange received 63 non-duplicate responses from a broad range of respondents. All proposals received support from a majority of respondents. Respondents generally agreed with the proposals to reduce the use of paper and improve the efficiency of our regulatory processes.
14. Having considered the respondents' views, the Exchange adopted the proposals with a number of minor modifications as set out in the consultation conclusions published on 30 June 2023.
15. Key proposals adopted include:
  - (a) reducing the number of submission documents; and mandatory submission by electronic means;
  - (b) mandating electronic dissemination of corporate communications by listed issuers to the extent permitted by the laws and regulations; and
  - (c) simplifying the appendices to the Listing Rules.
16. The [consultation paper](#), [consultation conclusions](#) and [respondents' submissions](#) are available on the HKEX website.

<sup>9</sup> The ISSB published a "Preview of the Inaugural Jurisdictional Guide for the adoption or other use of ISSB Standards" in February 2024.

## Consultation Paper and Conclusions on Rule Amendments Following Mainland China Regulation Updates and Other Proposed Rule Amendments Relating to PRC Issuers

17. On 24 February 2023, the Exchange published a consultation paper on “Rule Amendments Following Mainland China Regulation Updates and Other Proposed Rule Amendments Relating to PRC Issuers” to reflect changes in Mainland China regulations and align the requirements for PRC issuers with those for other issuers.
18. The Exchange received 41 non-duplicate responses from a broad range of respondents. Having considered the responses, the Exchange published its conclusions to the consultation on 21 July 2023 and adopted all the Listing Rule amendments outlined in the consultation paper with minor modifications.
19. The key changes to the Listing Rules are set out below:
  - (a) remove the Rule requirements that reflect the requirements set out in the Mandatory Provisions<sup>10</sup>. They include:
    - (i) the class meeting and related requirements for the issuance and repurchase of shares by PRC issuers;
    - (ii) the requirements for disputes involving H shareholders to be resolved through arbitration; and
    - (iii) the requirements for PRC issuers’ articles of association to include the Mandatory Provisions and other ancillary provisions;
  - (b) amend the documentary requirements for new listing applications to reflect Mainland China’s new filing requirements for overseas listings of Mainland-based companies;
  - (c) allow the limits on general mandate for issuance of new shares and scheme mandate for share schemes to be calculated with reference to a PRC issuer’s total issued shares (instead of referencing to each of domestic shares and H shares);
  - (d) remove the requirements for directors, officers and supervisors of PRC issuers to provide undertakings to the issuers and their shareholders to comply with the PRC Company Law<sup>11</sup> and the articles of association;
  - (e) align minor requirements on compliance advisers under Chapter 19A (for PRC issuers) with those in Chapter 3A (for all issuers); and
  - (f) remove certain requirements in Chapter 19A relating to (i) online display or physical inspection of documents and (ii) disclosure in listing documents of new applicants.
20. The [consultation paper](#), [consultation conclusions](#) and [respondents’ submissions](#) are available to view on the HKEX website.

10 The Mandatory Provisions for Companies Listing Overseas set forth in Zheng Wei Fa (1994) No. 21 issued on 27 August 1994 by the State Council Securities Policy Committee and the State Commission for Restructuring the Economic System.

11 The Company Law of the PRC adopted at the Fifth Session of the Standing Committee of the Eighth National People’s Congress on 29 December 1993 and effective from 1 July 1994, as amended, supplemented or otherwise modified from time to time.

### Consultation Paper on Proposed Amendments to Listing Rules Relating to Treasury Shares

21. On 27 October 2023, the Exchange published its consultation paper on “Proposed Amendments to Listing Rules Relating to Treasury Shares”.
22. The Exchange proposed to remove the requirement to cancel repurchased shares and introduce a framework to govern the resale of treasury shares that were listed on the Exchange in the same manner as an issuance of new shares.
23. The consultation paper is available on the HKEX website. The consultation closed on 27 December 2023. The Exchange is considering the responses received and will publish its conclusions soon.

### Consultation Paper and Conclusions on GEM Listing Reforms

24. On 26 September 2023, the Exchange published a consultation paper seeking market feedback on GEM listing reforms.
25. The Exchange received 58 non-duplicate responses from a broad range of respondents. All the Exchange’s proposals received majority support. We believe the proposals help enhance GEM’s attractiveness to SMEs seeking a listing and reduce compliance costs for current GEM issuers.
26. In light of strong market support, the Exchange published the consultation conclusions on 15 December 2023, adopting all proposals with minor modifications and clarifications to reflect the comments received from respondents. The amended Listing Rules took effect from 1 January 2024.
27. Key proposals adopted include:
  - (a) introducing a new streamlined transfer mechanism to enable eligible GEM issuers to transfer to the Main Board without the need to appoint a sponsor to carry out due diligence or produce a “prospectus-standard” listing document;
  - (b) introducing a new alternative “market capitalisation/revenue/R&D test” for an initial listing on GEM that targets high growth enterprises heavily engaged in R&D activities;
  - (c) reducing the post-IPO lock-up period imposed on GEM issuers’ controlling shareholders to 12 months; and
  - (d) removing mandatory quarterly reporting requirements and aligning other continuing obligations of GEM with those of the Main Board.
28. The consultation paper, consultation conclusions and respondents’ submissions are available on the HKEX website.

## Corporate Governance

### Analysis of Corporate Governance Practice Disclosure

29. In 2023, the Division undertook a review of 400 randomly selected issuers' (**Sample Issuers**) Corporate Governance disclosure for the 2022 financial year<sup>12</sup>. On 17 November 2023, the Exchange published the report titled "Analysis of 2022 Corporate Governance Practice Disclosure" (**Report**). It provides guidance to issuers on the improvements they could make to their corporate governance practices, and focuses, in particular, on compliance with the new requirements introduced to the Corporate Governance Code in 2022 (**2022 CG Code Update**).
30. Key findings and recommendations from the review included:
- Corporate culture – All Sample Issuers reported compliance with the new code provision (**CP**) on corporate culture. Comprehensive disclosure should include, amongst other matters, details on how corporate culture has been implemented and supports an issuer's long-term business objectives.
  - Long-serving INEDs – The number of boards where all INEDs have served more than nine years had reduced by two-thirds. Issuers should regularly assess their board composition to ensure refreshment of perspectives. Sufficient details regarding a Long-serving INED's suitability for re-appointment should be disclosed.
  - Diversity – Existing single gender board issuers must appoint at least one director of a different gender by the deadline of 31 December 2024. Issuers are encouraged to formulate long-term targets and timelines to further progress gender diversity beyond the required minimum.
  - Risk management and internal controls – All Sample Issuers disclosed information on their risk management and internal controls. Issuers should provide sufficient details of the regular reviews conducted to support their findings that their systems remain effective.

<sup>12</sup> The Exchange conducts periodic reviews of issuers' CG practice disclosures. Past reports are available [here](#).

- Compliance with CPs – All Sample Issuers complied with at least 73 out of 78 CPs, and 49% of them fully complied with all CPs (2019: 41%).
- All CPs were met by a vast majority of the Sample Issuers (over 90%), except the CP on the separation of the roles of chairman and chief executive.
- Issuers must disclose all applicable mandatory disclosure requirements (**MDRs**) (including the sub-paragraphs of those MDRs), and must clearly state that an MDR is not applicable to them, if they determine this to be the case.

31. The Report is available on the “Corporate Governance Practices” webpage and in the section headed “Review of Implementation of Corporate Governance Code” on the HKEX website.

## Stakeholder Communications

### Listed Issuer Regulation Newsletter

32. The Division published two Listed Issuer Regulation Newsletters in June and November 2023 providing the market with updates and guidance on:
- auditing, financial reporting and related internal control matters;
  - compliance with new Rules on share schemes;
  - disclosure of business valuations in transactions;
  - HKEX’s ongoing journey in application of technology;
  - the paperless listing regime;
  - guide on internal controls and planning for upcoming audit;
  - review of issuers’ corporate governance practices and new guide for INEDs;
  - guidance letter on disclosure of consideration basis and business valuations in transactions;
  - streamlined listing regime for PRC issuers;
  - administrative reminder on filing listing application for placing of new shares; and
  - reminder on making authorised representatives available.

### New Guidance Materials

33. During the year, we have published various guidance to facilitate listed issuers' better understanding of, and on-going compliance with, our Listing Rules requirements.
34. On 20 October 2023, the Exchange published the Guidance Letter [HKEX-GL116-23](#) on the disclosure of the basis of consideration and business valuations in notifiable transactions.
35. Also on 20 October 2023, the Exchange published the revised Guidance Letter [HKEX-GL95-18](#) on long suspension and delisting. The guidance helps clarify the ambit of "exceptional circumstances" in which a remedial period of long suspended company may be extended under our delisting framework.
36. On 27 October 2023, the Exchange published the Guidance Letter [HKEX-GL117-23](#) on automatic share buy-back programs conducted on behalf of listed issuers.

### Revamped Guidance for New Listing Applicants and Listed Issuers

37. In November 2023, the Exchange published the [Guide for New Listing Applicants](#), which consolidated and enhanced all currently effective guidance letters and listing decisions related to new listing applicants. The guide came into effect on 1 January 2024 and the corresponding guidance letters and listing decisions have been archived. The guide assists listing applicants and their advisors to better understand the Exchange's approach and interpretation of Listing Rules requirements, and will better support their work as they prepare their Hong Kong listing journey.
38. In December 2023, the Exchange reorganised all guidance letters and listing decisions in relation to listed issuers into [topical sections](#) and streamlined the guidance materials to make them easier to use. We will also update other guidance materials related to listed issuers in 2024.

### Enforcement Bulletin and Summary of Private Reprimands

39. Since 2022, the Division has been publishing [summaries](#) of cases in which private reprimands were imposed by the Exchange in disciplinary actions. These summaries are published, without disclosing the identities of the parties involved, as part of the Exchange's objectives to educate the market and enhance corporate governance.
40. The Division continues to publish Enforcement Bulletins relating to enforcement activity and specific focus areas which it considers to be of public interest. In [March](#) and [September](#) 2023, the Division published two Enforcement Bulletins covering, amongst other matters: (a) adequacy and quality of disclosures; and (b) conflicts of interest and duty.

### E-learning

41. In August 2023, the Exchange launched one new e-learning module on [Share Schemes](#).

## New Guide for INEDs

42. In November 2023, the Division published a new guide for INEDs titled “A snapshot of INEDs’ Roles and Responsibilities”. INEDs make important contributions to a company’s success and play a key oversight role in respect of the company’s risk management and internal controls. The new guide provides a quick and easy-to-follow overview of INEDs’ key responsibilities and obligations, in the areas of business decisions, internal controls, financial reporting and incident management, to facilitate a better understanding of what is expected of them and how they can fulfil their duties under the Listing Rules.
43. The guide is also available on the “Corporate Governance Practices” webpage on the HKEX website.

## ESG Academy

44. As part of the Exchange’s continued commitment to support and educate the market on ESG, the Exchange organised an HKEX ESG Academy webinar on 13 July 2023 on “Navigating Climate-related Disclosures”, with more than 700 participants joining in person and online. The conference focused on upcoming climate-related disclosure requirements and how companies can enhance their climate-related disclosures as they pursue their own low-carbon goals.

## Market Development

### Recognised Stock Exchanges for Secondary Listings

45. In September and November 2023 respectively, the Exchange added the Tadawul and the IDX to the list of Recognised Stock Exchanges. Companies with a primary listing on the Main Market of those exchanges are now able to apply for a secondary listing in Hong Kong.

### New Exemption to “Double Dipping” Rules

46. In November 2023, the Exchange published a revised Guidance Letter HKEX-GL85-16 (now in Chapter 4.15 of the Guide for New Listing Applicants) to introduce a new exemption from the “double dipping” restrictions. The exemption serves to allow existing shareholders, including pre-IPO investors, and cornerstone investors of a new applicant to subscribe for or purchase further securities in an IPO (i.e. to double dip) under certain specified size exemption conditions.

### Launch of FINI

47. On 22 November 2023, the Exchange launched FINI<sup>13</sup>, Hong Kong’s new digitalised IPO settlement platform. FINI is a new digital platform through which IPO market participants and regulators can manage the end-to-end settlement process for new listings in Hong Kong. The time gap between IPO pricing and trading is shortened from five business days to two business days, giving investors quicker access to new listings, reducing market risk and improving efficiency for all parties involved.

13 Fast Interface for New Issuance



## Efficiency and Transparency of Listing Process

### Enhancing transparency of vetting statistics

48. Since September 2023, the Exchange has disclosed the number of comment letters issued in respect of IPO applications in each month and the corresponding average time it has taken to issue such letters. In December 2023, the Exchange also revamped its webpage relating to progress for new listing applications, and further included the number of applications processed during the year. All these have helped enhance the transparency of our vetting statistics.

### Digitalisation of the Exchange's authorisation of prospectus registration

49. In December 2023, the Exchange published a Guidance Letter HKEX-GL118-23 (now in Chapter 6.6 of the Guide for New Listing Applicants) on the electronic submission of a prospectus and accompanying documents to the Exchange and the Companies Registry for authorisation and registration.
50. From 1 January 2024, listing applicants and listed issuers and their advisors may start submitting documents electronically for an application for authorisation of the registration of a prospectus. From 1 July 2024, the Exchange will no longer accept documents sent to it for the purpose of the authorisation of registration of a prospectus that do not meet the requirements of this guidance letter.

## Ongoing Obligations

### Annual report disclosure

51. The Exchange undertakes an on-going programme to review issuers' annual reports. The review in 2023 covered annual reports for financial years ended between January and December 2022. We assessed issuers' compliance with the disclosure requirements for annual reports under the Listing Rules. We also selected areas (or themes) in which we have regulatory interests for review. They included issuers' financial reporting and related controls, material lending transactions, and compliance with specific accounting standards in financial statements, among others.
52. The results of our review showed that issuers continued to achieve a high rate of compliance with the Listing Rule requirements for annual report disclosure. Isolated cases of potential corporate misconduct, material Rule breaches and/or non-compliance with accounting standards identified were followed up, including taking enforcement actions as appropriate. In the review, we identified room for improvement in issuers' disclosure and internal controls in some areas, for which we have provided guidance and recommendations in our published report for market education purposes.

### Notifiable transactions and sufficiency of operations and assets

53. We continued to monitor reverse takeover activities and the suitability for listing of issuers unable to maintain a sufficient level of assets or operations. This forms part of our continuing efforts to deter shell activities. During the year, one material transaction was ruled as a reverse takeover subject to the reverse takeover Rules.

54. In 2023, we found that four listed issuers had failed to comply with our Rules on the sufficiency of operations requirements. These issuers had generally experienced deterioration in their businesses over a prolonged period, to the extent that they were unable to maintain a sufficient level of operations and assets to meet the continuing obligations under the Listing Rules.
55. As at 31 December 2023, three of the issuers in these four cases were still subject to the review process and one remained suspended from trading.

### Long suspended companies

56. In 2023, 53<sup>14</sup> long suspended companies successfully resolved their regulatory issues and resumed trading, including 16 cases (mainly involving delinquent financial results) that were able to do so within one year of their trading suspension.
57. 44 long suspended companies were delisted. A large majority of these issuers failed to publish financial results and had unresolved corporate or accounting irregularities and/or issues related to management integrity.

## Appeals

### Listing Review Committee

58. The Listing Review Committee (**LRC**) is an independent review committee consisting entirely of outside market participants with no current Listing Committee members or representatives of the SFC or HKEX. It serves to provide an independent avenue for appeals to enhance governance within the Exchange's structure for reviewing the Listing Committee's decisions.
59. All review hearings before the LRC are heard *de novo* with the LRC rehearing the relevant case and deciding it afresh after considering all evidence and arguments made at earlier hearings, having regard to the earlier decision of the Listing Committee and considering additional information/evidence adduced in accordance with LRC procedures.
60. For the year ended 31 December 2023, the LRC considered a total of 26 reviews. Please see the section headed "Review Meetings" below (on page 27) for the distribution and outcome of these cases.
61. The majority of review applications were in respect of decisions to cancel listings arising from the issuer's failure to satisfy the Exchange's resumption guidance before the expiry of a prescribed remedial period.

14 Included 45 Main Board issuers and 8 GEM issuers (2022: 31 Main Board issuers and 7 GEM issuers).

62. Of the 19 review applications in respect of decisions to cancel listings heard by the LRC, 13 decisions were upheld, as these review applicants were not able to demonstrate that their situation fell within the exceptional circumstances under paragraphs 22 and 23 of the Guidance Letter on long suspension and delisting, so as to warrant the granting of an extension of time to the remedial period.
63. The remaining seven review applications related to decisions on suspension of trading, disciplinary sanctions and the return of an IPO application, which were all upheld by the LRC.

### Judicial reviews

64. In the course of 2023, the Exchange oversaw nine cases where issuers subject to adverse decision have either threatened or pursued judicial review proceedings. Of these nine cases: (a) six were dismissed by the High Court (with one decision currently being appealed); (b) one is ongoing; and (c) two were not pursued.
65. In the judgments dismissing those six cases, the Court set out clear endorsements of the approach adopted by the Exchange in each case, reflecting the diligence of the Committees and the robustness and integrity of the decision-making process the Exchange has in place. The judgments have also set up a significant body of bespoke jurisprudence which will further support the Exchange's position in future applications for judicial review.

# Regular Business

## Listing Applications

66. Statistics in relation to listing applications handled by the Listing Committee are set out in the tables below.

<b>Meetings at which IPO applications were considered</b>	<b>2023</b>	<b>2022</b>
Meetings Within the Regular Schedule	31	40
Specially Convened Meetings	-	2

  

<b>Listing Applications considered by the Listing Committee</b>	<b>2023</b>	<b>2022</b>
Applications Considered:	73	126
Applications Approved (Note 1)	72	126
Applications Rejected	-	-
Decisions Deferred Pending Further Information	1	-

  

<b>Listing Applications listed</b>	<b>2023</b>	<b>2022</b>
Applications Listed in the Year (Note 2)	73	86
Applications Approved and Listed in the Year	51	74
Applications Approved in Previous Years	22	12

Notes:

1. 2023 and 2022 include all applications approved at the first hearing. Any case that was considered by the Committee more than once in the same year was counted as one case only.
2. Only refers to applications approved by the Listing Committee and listed in the year.

## Cancellation of Listing

67. 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	
	2023	2022
<b>Main Board</b>		
Cancellation of listing (Note 1)		
– Under the previous regime (Note 2)	–	4
– After expiry of prescribed remedial period under the new regime (Note 3)	<b>34</b>	42
<b>GEM</b>		
Cancellation of listing (Note 1)		
– Under the previous regime (Note 2)	–	–
– After expiry of prescribed remedial period under the new regime (Note 3)	<b>12</b>	10

Notes:

1. Of the 46 cancellation decisions made in 2023, 2 decisions (2022: 4) were overturned by LRC after review. As at 31 December 2023, 7 cancellation decisions made in 2023 were still subject to the review procedures under the Listing Rules.
2. This refers to cancellation of listing of Main Board issuers under Practice Note 17. No issuers remain subject to the previous delisting regime. Consequently, from next year, we will not include previous delisting regime statistics in this annual report.
3. This refers to cancellations pursuant to the fixed period delisting criteria of 18 months for Main Board issuers and of 12 months for GEM issuers implemented in accordance with the revised delisting regime in August 2018. In 2023, a large majority of cases arose from issuers failing to publish financial results and having unresolved corporate or accounting irregularities and/or issues related to management integrity.

## Other Matters

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

Nature of decision/advice sought	Number of cases	
	2023	2022
<b>Listing Application Requirements</b>		
– Requests for pre-application guidance from potential IPO applicants	1	11
<b>Ongoing Obligations</b>		
– Approval of voluntary withdrawal of listing (Note 1)	35	23
– Consideration of spin off proposal	34	27
– Guidance on whether a listed issuer had sufficient operations or assets to warrant continued listing under Main Board Rule 13.24 and GEM Rule 17.26 (Note 2)	–	2
– Approval of an issuer of structured products	2	–
– Guidance sought on a proposed highly dilutive issue of shares	–	1
– Guidance sought on a proposed subscription	–	1
– Guidance sought on the way forward on the trading suspension due to insufficient public float	–	1
– Proposed voluntary conversion from secondary listing to dual-primary listing on the Exchange	–	1
– Extension of resumption deadline	1	1
– Guidance sought on a proposed acquisition	–	1
– Guidance sought on a resumption proposal	1	–
– Guidance sought on proposed amendments to a WVR structure	1	–
– Waiver application relating to a re-domicile proposal	1	–

Notes:

- 2023 includes withdrawal of listing of 15 ETFs or investment products (2022: 9) and offshore preference shares of 1 (2022: 7) issuers.
- Since April 2022, the Division handles all Rule 13.24/GEM Rule 17.26 cases unless there are exceptional circumstances.

# Service Standards

## Listing Applications

- 69. In 2023, the Exchange received a total number of 136 new listing applications. The number of applications vetted by the Division in 2023 was 249, which includes 113 applications brought forward from 2022 and renewal applications.
- 70. In 2023, the Exchange vetted 34 listing applications under the new listing regime (Chapters 8A, 18A, 18B, 18C and 19C).
- 71. The statistics on guidance provided at the pre-IPO stage are summarised below:

Action	Number of written responses issued	Average number of business days taken between the date of request for guidance and the date of issue of written response
Response to the request for guidance from listing applicants or their advisers seeking clarifications of listing matters	80	11

- 72. The relevant statistics on vetting of IPO applications are summarised in the following tables:

Action	Number of comment letters issued	Average number of business days taken from date of case acceptance to date of first comment letters issued
Issuance of first round of comments	118	12

Action	Number of cases	Average number of total business days taken from date of case acceptance to date of Listing Committee hearing
Listing applications presented to the Listing Committee for consideration	73	203

- 73. In 2023, the Division shortened the average processing time for the issuance of guidance to listing applicants (or their advisers) seeking clarification on listing matters at the pre-IPO stage to 11 business days (2022: 14). The Division also shortened the average time for the issuance of first round of comments for IPO applications to 12 business days (2022: 17).

74. The average time taken from the date of case acceptance to the date of Listing Committee hearing was 203 business days in 2023 (2022: 167). The length of our vetting process is dependent upon many factors but is predominantly determined by the quality of submissions the Exchange receives from a listing applicant (via their advisers) and the timeliness of the applicant's responses to the Exchange's comments on those submissions.
75. In our continuous efforts to enhance our vetting process and efficiency, the Division remains resolute in upholding our regulatory functions and safeguarding public interest.

## Listed Issuer Monitoring and Guidance Actions

76. The following table summarises the Exchange's service standards for monitoring and guidance actions related to listed issuers. It is the Exchange's objective to continue improving the transparency, quality, efficiency and predictability of its service.

Service for Initial Responses	Service standard	% of cases meeting service standard	
		2023	2022
Pre-vetting activities			
- Initial response to pre-vetted announcements	Same day	95%	95%
- Initial response to pre-vetted circulars (very substantial acquisition)	10 business days	100%	95%
- Initial response to pre-vetted circulars (other than very substantial acquisition)	5 business days	94%	90%
Issuers' enquiries (Note 1)			
- Initial response to issuer's enquiries	5 business days	96%	92%
Waiver applications (Note 2)			
- Initial response to waiver applications (other than application for delay in despatch of circular)	5 business days	97%	92%
Post-vetting activities			
- Initial response to post-vetted result announcements	3 business days	97%	99%
- Initial response to post-vetted announcements (other than results announcements)	1 business day	96%	99%

Notes:

1. In 2023, 393 written enquiries (2022: 546) on Rule interpretations and related matters were handled.
2. In 2023, 366 waiver applications (2022: 523) from strict compliance with requirements under the Listing Rules were processed.



# Disciplinary Matters

## General Approach

77. The Enforcement Policy Statement sets out the Exchange's approach in relation to enforcing the Listing Rules. This includes four fundamental objectives, which are to:
- (a) deter future breaches;
  - (b) educate the market;
  - (c) influence compliance culture and attitude; and
  - (d) enhance corporate governance.
78. The Division is responsible for the Exchange's enforcement of the Listing Rules, which includes investigating potential breaches of the Listing Rules, and then implementing the appropriate regulatory response, through disciplinary action, if necessary, against issuers, directors and/or other responsible parties.

## Enforcement Investigations

79. Each year, the Division investigates conduct which may give rise to breaches of the Listing Rules. The Division receives referrals from various sources including:
- (a) other regulatory or law enforcement agencies;
  - (b) complaints from the general public; and
  - (c) internal referrals as a result of compliance monitoring.

80. During 2023:
- (a) The Division commenced 38 new investigations (not including the active investigations continued from 2022) (2022: 38).
  - (b) The Division finalised 42 investigations. The average time for completion of an investigation was 12.4 months (2022: 11.8).

## Case Topics

81. In 2023, we saw cases involving questionable outflows of funds from issuers, and breaches arising from IPO-related transactions and disclosures. We also investigated and concluded a number of cases involving failures to avoid or manage conflicts of duty and/or interest, failures to ensure disclosures were well-supported, and/or to take sufficient steps to safeguard issuers' assets. Some of the concluded cases covered directors making a secret profit, being involved in competing business, or serving on two or more boards of companies that had an interest in the same transaction.
82. When issues of concern arise, the Division will investigate who was responsible for any failures and misconduct. The Division will usually examine how the directors discharged their duties to safeguard the issuer's interests and ensure the adequacy and effectiveness of the issuer's internal control and risk management environment.
83. The Division will continue to pursue appropriate cases by holding to account those who fail in their duties, breach the Listing Rules or engage in misconduct.

## Disciplinary Action

84. Following an investigation and where disciplinary action is appropriate, the Committee will follow the Disciplinary Procedures. In 2023:
- (a) The Division commenced 24 disciplinary actions (2022: 33).
  - (b) Sanctions were published in respect of 33 concluded disciplinary actions (2022: 29).
85. As at 31 December 2023, there were 10 ongoing disciplinary cases (some under review) awaiting final outcome (2022: 17).

## Sanctions

86. Following any disciplinary action, the Committee has the power to impose certain sanctions on relevant parties. During 2023, the Exchange imposed public sanctions in 32 of the 33 concluded disciplinary cases.
87. Both the collective and individual responsibility of directors continues to be a focus of the current enforcement regime. Directors are personally required both to comply with the Listing Rules and to procure Rule compliance by listed issuers.
88. The table below shows the number of sanctions imposed against directors in 2023. Out of the 126 sanctions imposed, 51 were “director unsuitability statements” or “prejudice statements” whereby, in addition to a public censure, the Committee made a statement of opinion regarding an individual’s occupation of the position of director or senior management (2022: 42).

Number of directors subject to sanctions	2023	2022	2021
Executive directors	82	84	100
Non-executive directors	7	36	16
Independent non-executive directors	37	40	69
Total	126	160	185

89. In addition to imposing sanctions for breaches of the Listing Rules, the Exchange issued a number of directions in disciplinary actions requiring listed issuers and directors to take proactive remedial action to rectify breaches, improve internal controls and overall corporate governance.
90. Such directions included training requirements and the appointment of external experts to assist with control deficiencies and to provide compliance advice on an ongoing basis. The following table provides an overview of the number of cases in which various directions were issued by the Exchange in 2023:

Number of cases involving	2023	2022	2021
“Internal Control Review” direction	4	4	6
“Retention of Compliance Adviser” direction	2	1	2
“Training of Directors” direction	21	21	21

## Settlement and Cooperation

91. Investigations and disciplinary actions can be disposed of by settlement as approved by the Committee. (see the [Statement on Settlement of Disciplinary Matters](#) published on the Exchange's website). Following on from 2022, the Committee and the Division continue to see a significant number of parties under investigation choosing to settle the enforcement actions, some of which were resolved by full acceptance of the proposed sanctions prior to the commencement of disciplinary action.
92. There is a positive obligation on issuers and directors to interact promptly and openly with the Division during the course of all interactions with it. Any failure to cooperate is unacceptable and will likely lead to the imposition of a severe public sanction. Issuers and directors are encouraged to read the Exchange's [Guidance Note on Cooperation](#) published on the HKEX website.

## Interaction with Other Regulators

93. The Division refers the conduct of listed issuers and their directors that may give rise to suspected breaches of the law to the SFC and other law enforcement agencies (e.g. the Independent Commission Against Corruption and the Commercial Crime Bureau of the Hong Kong Police) as appropriate. It provides assistance by giving documents or information and witness statements (covering, amongst other things, technical advice on the application of the Listing Rules) to support prosecution proceedings.
94. During 2023, the Division provided continuing support to the SFC and other law enforcement agencies by dealing with 57 requests (2022: 47) for documents or information and providing three witness statements (2022: four).

## Review Meetings

95. During the year: (a) the Listing Review Committee considered 26 (2022: 19) requests for review; and (b) the Listing Committee considered 8 (2022: 6) requests for review of decisions made by the Division. 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 2023
Listing Review Committee	Listing Committee	Cancellation of listing	19	Upheld: 13 Overturn: 6
		Suspension of trading	2	Upheld: 2
		Return of IPO application	1	Upheld: 1
		Disciplinary sanctions	4	Upheld: 4
Listing Committee	Listing Division	Suspension of trading	6	Upheld: 6
		Reverse Takeover	1	Upheld: 1
		Return of IPO application	1	Upheld: 1

96. As at 31 December 2023, there were eleven cases under review as follows:

Appeal Committee	Decision made by	Nature of decision	Number of cases
Listing Review Committee	Listing Committee	Cancellation of listing	7
		Suspension of trading	2
		Reverse Takeover	1
		Disciplinary sanctions	1

# Policy Agenda for 2024 and Beyond

97. Highlighted below are those matters the Exchange currently plans to consider during 2024 and beyond:

## **Prospectus and listing process**

- Review of Listing Regime for Structured Products
- Review of Public Float and Optimisation of the IPO Price Discovery Process
- Review of Listing Regime for Mineral Companies

## **Ongoing obligations and other related matters**

- Consultation Conclusions on Proposed Amendments to Listing Rules relating to Treasury Shares
- Consultation Conclusions on Review of the ESG Reporting Guide (Climate Disclosures)
- Consultation Paper on Proposals to Further Expand the Paperless Listing Regime and Housekeeping Rule Amendments
- Consequential Listing Rule Amendments to Implement Severe Weather Trading
- Consequential Listing Rule Amendments to Implement Uncertificated Securities Market Regime
- Corporate Governance Enhancement Proposals

# Appendix 1

## Composition, Role and Operations of Listing Committee

### Members as at 31 December 2023

#### Chairman

BHATIA Renu

#### Deputy Chairmen (in alphabetical order)

CHAN Kok Chung, Johnny

EMSLEY Matthew Calvert

KEYES Terence Francois

#### Ex-officio member

AGUZIN Nicolas

#### Other members (in alphabetical order)

CHAN Chi Chuen, Dickson

CHAN Jeanette

CHAN Lap Tak, Jeffrey

CHENG Kin-Lung, David

CHIU Michael

CHUA Rebecca

CLARK Stephen John

DEMOPOULOS Frederick

GAW Christina

LAU Jack

LAU Paul

LEE Chun Ho, Ernest

LEE Pui Hang, Julian

LEUNG Pauline

LI Chun, Elsy

LI Lin, Lincoln

LILA Miron

LIM Ronnie

LLOYD Victoria Sally Tina

MELLER Gillian Elizabeth

SHAO Ying, Serena

SOON Y S Elizabeth

WONG Ka Shun, Christopher

## Composition of Listing Committee

1. The Listing Committee consists of 28 members (or such greater number that the board of the Exchange shall agree) as follows:
  - (a) At least eight individuals whom the Listing Nominating Committee (**LNC**) considers will represent the interests of investors;
  - (b) 19 individuals whom the LNC considers will represent 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; and
  - (c) The Chief Executive of HKEX as an ex-officio non-voting member<sup>13</sup>.
2. The Listing Committee has no staff and no budget. A fixed annual fee of HK\$150,000 is offered for regular Committee members, HK\$187,500 for the Deputy Chairmen and HK\$225,000 for the Chairman on account of their contribution to the Listing Committee.

## Role of Listing Committee

3. The Listing Committee acts both as an independent administrative decision maker and an advisory body for the Exchange. It has four principal functions:
  - (a) To oversee the Division (to the extent practicable given the Committee's mode of operation).
  - (b) To provide policy advice to the Division on listing matters and to approve amendments to the Main Board Rules and GEM Rules.
  - (c) To take decisions of material significance for listing applicants, listed issuers and the individuals concerned. These include approvals of listing applications and cancellations of listing and disciplinary matters.
  - (d) To act as a review body for decisions made by the Division<sup>14</sup>.
4. The Listing Liaison Forum (**LLF**) provides a monthly forum for operational matters to be raised by the Chairman and Deputy Chairmen with the Chief Executive and the Head of Listing (and vice versa). This is part of the oversight of the Division by the Listing Committee. The LLF is not a forum for discussing substantive policy matters. In addition, on a semi-annual basis, the Committee's Chairman and Deputy Chairmen and the Head of Listing attend a meeting of the HKEX Board to communicate with the HKEX Board on the operation of the Division and the Listing Committee.

<sup>13</sup> The Chief Executive of HKEX attends Listing Committee meetings as a non-voting member representing the HKEX's board only where listing policy matters are discussed, and does not attend Listing Committee meetings on individual cases.

<sup>14</sup> The Listing Committee ceased to act as a review body for its own decisions following the establishment of the Listing Review Committee on 5 July 2019.



5. The Listing Operation Governance Committee (**LOG**) is a sub-committee of the HKEX Board to which the HKEX Board has delegated overall supervision and oversight of the operation and management of the Listing Division with the view to ensuring that it can perform the listing functions of the Exchange independently, prudently and competently, in the proper discharge of the Exchange's statutory duties as the front-line regulator of listed issuers. LOG meets at least four times every year. Additional meetings shall be held at the request of the chairman.
6. The LOG consists of at least five members comprising: (a) at least three non-executive directors appointed by the HKEX Board; and (b) the Chairman of Listing Committee and at least one Deputy Chairman of the Listing Committee. Please see the [HKEX website](#) for further details.
7. 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.

### Operations of the Listing Committee

8. 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 and GEM. The Division may reject listing applications, but the power to approve such listing applications rests with the Listing Committee. Listing applications are considered on the basis of reports from the 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.
9. The power to approve the cancellation of listing of securities (**delisting**) rests with the Listing Committee. Main Board issuers may be delisted immediately or delisted if they fail to remedy issues and resume trading before the end of the remedial period specified in the delisting notice. They may also be delisted under Main Board Rule 6.01A. GEM Rules 9.14 to 9.18 deal with the delisting of GEM listed issuers.
10. The Listing Committee's approval is required to cancel the listing of a Main Board or GEM issuer. The Listing Committee's decision to delist a Main Board or GEM issuer may be subject to review by the Listing Review Committee.
11. At each regular meeting, the Division provides the Listing Committee with information on listed issuers 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 listed issuers 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 listed issuers.

12. 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. Nonetheless it is sometimes necessary for matters 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 policy meetings or amendments to the Listing Rules which have previously been approved at policy meetings that are minor in nature but which, nonetheless, require the Listing Committee's approval.
13. 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 one round of written submissions from the Division and from those alleged to have breached the Listing Rules (the listed issuer and/or its directors), with the Chairman having flexibility to allow additional submissions where it is considered appropriate. 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 oral submissions.
14. For agreed disposals of disciplinary matters, a settlement proposal as agreed between the 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. All parties to a disciplinary action may be invited to appear before the Committee to address any concerns which the Committee may have in respect of the settlement proposal, and the Committee may also ask questions of the parties present regarding the proposed settlement.

## Appendix 2

# Policy Development

### Policy Development Meetings

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. 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 policy meetings or amendments to the Listing Rules which had previously been approved at 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.

### Matters Considered During the Year

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

Date	Items
<b>19th January 2023</b> <b>Regular meeting</b>	<ul style="list-style-type: none"> <li>- Information paper on review of issuers' annual reports</li> </ul>
<b>28th February 2023</b> <b>Policy Meeting</b>	<ul style="list-style-type: none"> <li>- Consultation Conclusions on a Listing Regime for Specialist Technology Companies</li> <li>- Update on GEM Review</li> <li>- Information Paper on Public Float Review</li> <li>- Themes for Review of Issuers' Annual Reports 2023</li> <li>- Update on ESG (Climate Disclosures) and Corporate Governance Initiatives 2023</li> <li>- Guidance Letter on Disclosure of Business Valuations in Notifiable Transactions</li> <li>- Proposed Listing Rule Amendments Consequential to the Conclusions Paper to Modernise the IPO Settlement Process</li> <li>- Periodic Update on Listing Committee's Oversight of Listing Division</li> </ul>
<b>30th March 2023</b> <b>Regular meeting</b>	<ul style="list-style-type: none"> <li>- Enhancement of Climate Disclosures under the ESG framework</li> </ul>
<b>4th April 2023</b> <b>Regular meeting</b>	<ul style="list-style-type: none"> <li>- Draft Consultation Conclusions on Rule Amendments Following Mainland China Regulation Updates and Other Proposed Rule Amendments Relating to PRC Issuers</li> </ul>
<b>20th April 2023</b> <b>Regular meeting</b>	<ul style="list-style-type: none"> <li>- Updates to Disciplinary Procedures</li> </ul>
<b>8th June 2023</b> <b>Regular meeting</b>	<ul style="list-style-type: none"> <li>- Draft Consultation Conclusions on Proposals to Expand the Paperless Listing Regime and Other Rule Amendments</li> </ul>

Date	Items
<b>22nd June 2023</b> <b>Policy Meeting</b>	<ul style="list-style-type: none"> <li>- Update on GEM Review</li> <li>- Information Paper on Public Benefit Companies</li> <li>- Consultation Paper on Treasury Shares</li> <li>- Secondary Listing: Recognised Stock Exchanges</li> <li>- Proposed Exemption to the “Double Dipping” Rules</li> <li>- Update on Corporate Governance</li> <li>- Update on CSRC New Filing Rules, IPO Process Improvements, and FINI Update</li> <li>- Update on IT initiatives</li> <li>- Enforcement Update</li> <li>- Periodic Update on Listing Committee’s Oversight of Listing Division</li> </ul>
<b>31st August 2023</b> <b>Regular meeting</b>	<ul style="list-style-type: none"> <li>- Recognition Framework for Recognised Stock Exchanges for Secondary Listings</li> </ul>
<b>21st September 2023</b> <b>Regular meeting</b>	<ul style="list-style-type: none"> <li>- Recognition of Saudi Exchange (Tadawul) as a Recognised Stock Exchange for Secondary Listings</li> <li>- Consultation Paper on GEM Listing Reforms</li> </ul>
<b>28th September 2023</b> <b>Regular meeting</b>	<ul style="list-style-type: none"> <li>- Revised Draft Consultation Paper on Proposed Amendments to Listing Rules Relating to Treasury Shares</li> <li>- Proposed general waiver from the dealing restriction under Rule 10.06(2)(e) for automatic share buy-back programs</li> </ul>
<b>17th October 2023</b> <b>Policy Meeting</b>	<ul style="list-style-type: none"> <li>- Guidance Letter on Disclosure of Business Valuation in Notifiable Transactions</li> <li>- Update on Draft Consultation Paper on Proposed Amendments to Listing Rules relating to Treasury Shares</li> <li>- Guidance on Exceptional Circumstances under the Delisting Regime</li> <li>- Update on Consultation on ESG Reporting (Climate Disclosures)</li> <li>- Issue of Guide for New Listing Applicant</li> <li>- CSRC Filing Regime and other IPO-related Updates</li> <li>- Information Paper on Review of Chapter 18 (Mineral Companies)</li> <li>- Information Paper on Capital Management Initiative</li> <li>- Information Paper on Competitiveness and Development of Hong Kong Listed Debts Market</li> <li>- Update on Corporate Governance Enhancements &amp; Disclosure Review Analysis</li> <li>- Periodic Update on Listing Committee’s Oversight of Listing Division</li> </ul>
<b>23rd November 2023</b> <b>Regular meeting</b>	<ul style="list-style-type: none"> <li>- Consultation Conclusions on GEM Listing Reforms</li> <li>- Recognition of the Indonesia Stock Exchange as a Recognised Stock Exchange for Secondary Listings</li> </ul>

## Appendix 3

# Meeting Statistics

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	
	2023	2022	2023	2022
Regular Meetings:				
– With regular business only	34	37	17	21
– With policy items	10	8	19	19
<b>Total</b>	<b>44</b>	<b>45</b>	<b>–</b>	<b>–</b>
Review Meetings	8	6	6	6
Disciplinary Meetings	28	29	6	6
Policy Meetings	3	3	22	24
<b>Total</b>	<b>83</b>	<b>83</b>	<b>–</b>	<b>–</b>

Details of members' attendance at meetings are set out in Appendix 4.

## Appendix 4

# Attendance at Meetings

The following table shows Listing Committee members' attendance at meetings.

Members	Nature of Meeting (Note 2)							
	Regular		Policy		Disciplinary		Review	
	Attended/ Pooled	%	Attended/ Eligible	%	Attended/ Eligible	%	Attended/ Eligible	%
<b>In office all year</b>								
Ms Renu Bhatia	38/43	88%	3/3	100%	9/9	100%	3/3	100%
Mr Terence Keyes	42/40	105%	3/3	100%	9/9	100%	3/3	100%
Mr Johnny Chan	32/37	86%	3/3	100%	4/4	100%	0/0	0%
Mr Matthew Emsley	36/31	116%	3/3	100%	8/8	100%	3/3	100%
Mr Nicolas Aguzin (Note 3)	NA	NA	1/3	33%	NA	NA	NA	NA
Mr Frederick Demopoulos	26/22	118%	0/3	0%	8/15	53%	2/4	50%
Ms Elsy Li	30/22	136%	3/3	100%	13/19	68%	1/3	33%
Ms Victoria Lloyd	27/21	123%	3/3	100%	8/14	57%	2/4	50%
Ms Elizabeth Soon	12/20	60%	1/3	33%	0/17	0%	0/5	0%
Mr Stephen Clark	33/20	165%	3/3	100%	12/14	86%	3/3	100%
Mr Paul Lau	38/19	200%	3/3	100%	11/16	69%	2/3	67%
Mr Lincoln Li	7/22	32%	0/3	0%	3/15	20%	0/4	0%
Ms Jeanette Chan	23/21	110%	1/3	33%	8/19	42%	2/5	40%
Mr Michael Chiu	35/20	175%	3/3	100%	6/17	35%	1/4	25%
Ms Rebecca Chua	33/21	157%	3/3	100%	2/17	12%	0/5	0%
Mr David Cheng	37/21	176%	3/3	100%	15/18	83%	3/5	60%
Ms Pauline Leung	40/20	200%	3/3	100%	8/11	73%	5/5	100%
Mr Miron Lila	26/22	118%	3/3	100%	3/21	14%	0/4	0%
Mr Christopher Wong	26/22	118%	3/3	100%	12/20	60%	5/5	100%
Ms Gill Meller	20/22	91%	3/3	100%	8/16	50%	2/5	40%
Ms Serena Shao	6/21	29%	1/3	33%	1/18	6%	0/4	0%
Ms Christina Gaw	27/22	123%	1/3	33%	1/19	5%	2/4	50%
Mr Julian Lee	29/21	138%	3/3	100%	7/18	39%	2/4	50%

Members	Nature of Meeting (Note 2)							
	Regular		Policy		Disciplinary		Review	
	Attended/ Pooled	%	Attended/ Eligible	%	Attended/ Eligible	%	Attended/ Eligible	%
<b>Appointed this year (Note 4)</b>								
Mr Dickson Chan	23/9	256%	1/1	100%	4/4	100%	1/1	100%
Mr Ernest Lee	19/11	173%	1/1	100%	1/1	100%	0/1	0%
Mr Jack Lau	13/11	108%	1/1	100%	3/4	75%	0/1	0%
Mr Jeffrey Chan	17/12	142%	1/1	100%	4/6	67%	1/1	100%
Mr Ronnie Lim	15/12	125%	1/1	100%	0/6	0%	1/1	100%
<b>Retired this year (Note 5)</b>								
Mr Keith Pogson	21/21	100%	2/2	100%	6/6	100%	2/4	50%
Mr David Lau	7/11	64%	1/2	50%	6/14	43%	3/4	75%
Mr Julian Wolhardt	2/11	18%	1/2	50%	1/12	8%	0/3	0%
Mr Richard Pu	20/11	182%	2/2	100%	0/11	0%	0/3	0%
Mr Alex Wong	5/11	45%	2/2	100%	6/15	40%	0/2	0%

Notes:

- Percentage attendance at regular meetings is calculated based on actual attendance and the number of meetings that the member was pooled for (i.e. scheduled to attend) during the year in accordance with a pooling schedule. The Chairman and Deputy Chairmen are pooled to attend all regular meetings. Other members are pooled to attend approximately half of the regularly scheduled meetings. In all cases the number of meetings that a member is pooled for will be reduced by one if:
  - a meeting that the member is pooled for is cancelled;
  - the member is conflicted on all substantive matters to be considered at a meeting that the member is pooled for;
  - the member is unable to attend due to illness; or
  - the member is unable to attend due to scheduling conflicts with the hearings of another regulatory body
- Percentage attendance at review and disciplinary meetings 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. Members' unavailability due to other commitments on a scheduled date has not been taken into account in the table above. Unlike regular meetings that are scheduled on the same day and at the same time every week, review and disciplinary meetings are scheduled on an ad hoc basis. Therefore, conflicts with members' other commitments are more likely as it is not possible for members to block out a regular time in their diaries to attend these meetings. Also, some review and disciplinary meetings have to be scheduled on short notice due to their nature. The Chief Executive Officer of HKEX does not participate in review and disciplinary meetings.
- The Chief Executive Officer of HKEX attends Committee meetings as a non-voting member representing the HKEX's board only where listing policy matters are discussed, and does not attend Listing Committee meetings on individual cases.
- Members were appointed on 7 July 2023.
- Members retired on 7 July 2023.
- For regular meetings and policy meetings on or before 31 August 2023, attendance includes remote participation by telephone/video-conferencing. From 1 September 2023 onwards, remote participation by telephone/video-conferencing was only provided for policy items discussed at regular meetings.

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