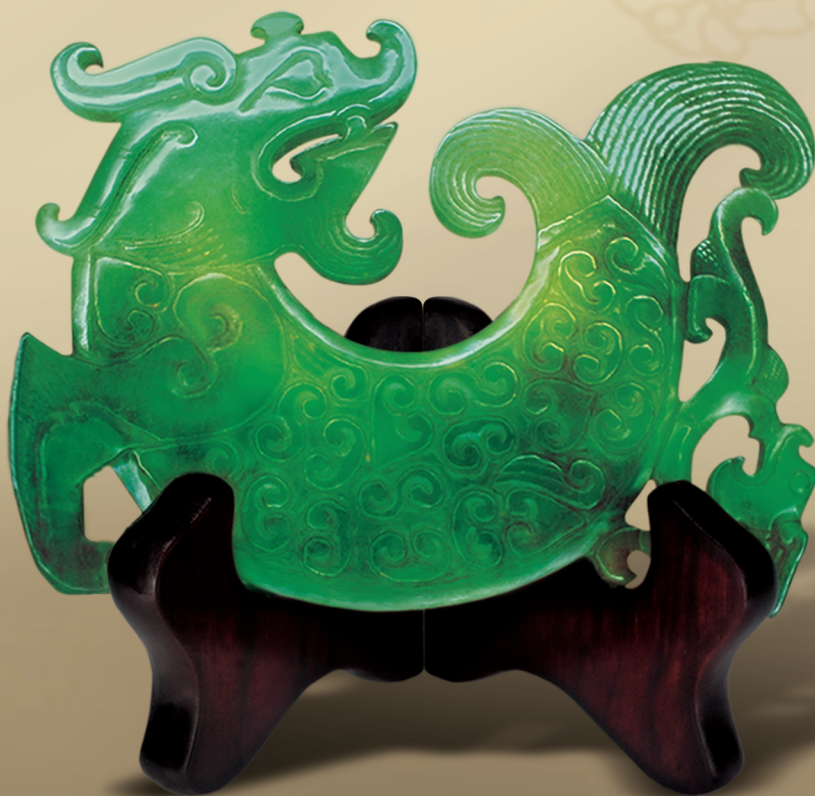




Hong Kong Exchanges and Clearing Limited
香港交易及結算所有限公司

The Listing Committee Report 2007



Introduction

1. This is the second calendar year report of the Main Board and GEM Listing Committee of the Stock Exchange of Hong Kong Limited (the “SEHK” or “Exchange”). 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. Throughout this report the expressions Listing Committee and Committee refer to the combined Committees unless the context requires otherwise.
2. This report is an account of the work of the Listing Committee in respect of the year ended 31 December 2007 in contributing to the success of the Hong Kong Listing Regime.
3. 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”). The Committee is committed to being as transparent as possible. Consequently, as in previous years, this report will be forwarded to the Financial Services and Treasury Bureau, the Securities and Futures Commission (the “SFC”) and posted on HKEx’s website. In addition, it will also be distributed to all HKEx’s shareholders together with the annual report.
4. The Listing Committee has no staff, no budget and until 18th May 2007 members were not paid for their services on the Committee. In February 2007 the HKEx Board resolved that members of the Committee should be offered a fixed annual fee of HK\$80,000 on account of attendance at and preparation for regular, policy, disciplinary and review meetings commencing from the appointment in May 2007. This payment will be made to members at the end of their term of office, which is expected to be mid May 2008.

Membership

5. The Main Board and GEM Committees each consist of 28 members 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.

6. The Chief Executive of HKEx provides a bridge between the Committees, the senior executive of HKEx and the Board of HKEx. Members are appointed to the Committee annually or to fill casual vacancies. A list of members who served on the Committees during the year and their attendance record at the various different forms of meetings are set out below.

	Regular		Nature of Meeting				Review	
	No.	%	No.	%	No.	%	No.	%
Mr. Carlson Tong	30	61	3	75	1	13	1	33
Mr. Gage McAfee	32	65	4	100	4	33	2	40
Ms. Teresa Ko	22	45	4	100	0	0	0	0
Mr. Jamie Allen	10	42	4	100	2	17	4	57
Mr. Roger Best	16	67	4	100	3	43	1	17
Ms Melissa Brown	16	67	4	100	6	60	0	0
Mr. Stephen Brown	27	113	2	50	3	25	5	100
Mr. Robert Bunker	26	108	4	100	6	67	4	67
Mr Vincent Chan ¹	9	56	2	67	2	22	0	0
Mr. Roy Chen	19	79	2	50	1	8	1	20
Dr S K Fung	21	88	4	100	4	40	2	33
Mr. Paul Go ¹	8	50	1	33	2	25	0	0
Mr. Stephen Hui	20	83	4	100	3	27	1	17
Mr Stephen Hunt	30	125	4	100	4	44	5	83
Mr. Ernest Ip	13	54	4	100	0	0	1	14
Mr. Alex Ko	21	88	4	100	2	17	0	0
Mr. Raymond Lee	13	54	2	50	3	25	1	17
Mr. Joseph Longo	13	54	1	25	1	9	2	40
Prof C K Low	19	79	3	75	2	17	2	33
Mr Alex Ng	18	75	2	50	1	8	0	0
Mr. Alexander Schrantz	20	83	3	75	5	42	2	33
Mr James Soutar ¹	8	50	3	100	1	11	2	67
Mr. David Stannard	14	58	3	75	2	17	0	0
Mr. Tony Tsoi	41	171	3	75	8	67	1	33
Mr Richard Winter ¹	16	100	2	67	2	22	2	67
Mr Adrian Wong	28	117	4	100	4	36	2	40
Mr Kelvin Wong ¹	15	94	2	67	2	22	1	50
Mr Chang Sun ²	9	113	0	0	0	0	0	0
Mr. Frank Slevin ²	2	25	0	0	0	0	1	33
Mr. David Sun ²	8	100	1	100	0	0	1	25
Mr. Michael Lee ²	3	38	1	100	0	0	1	20
Mr. David Cheung ²	2	25	0	0	0	0	3	60
Mr. Paul Chow ⁴	35	71	4	100	–	–	–	–

Notes:

- Members appointed on 18th May 2007.
- Members retired on 18th May 2007.
- Save as disclosed above, all other members served throughout the year.
- Mr. Paul Chow is the Chief Executive of HKEx, an ex-officio member of the Listing Committee.
- For regular meetings, percentage attendance is calculated based on a member attending half the 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. For the chairman, deputy chairmen and the Chief Executive the percentage is calculated based on total number of meetings in the period.
- 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.

Role and Mode of Operation of the Listing Committee

7. The Listing Committee acts both as an independent administrative decision maker and an advisory body for the Exchange. The Listing Committee has four principal functions:
 - To oversee the Listing Division (to the extent that this is 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 Listing Rules
 - To take decisions of material significance for listing applicants, listed companies and the individuals concerned
 - 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
8. 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 HKEx's website.

Transparency

9. It is important for the listing decision making process to operate fairly and consistently. The following measures represent progress made in enhancing transparency in the listing decision making process:
 - The Listing Division explains the decision-making process relating to key decisions or novel matters by publishing on an anonymous basis Listing Decisions and Rejection Letters so that the principles and rationale behind them are communicated.
 - The Listing Division encouraged by the Listing Committee has been moving towards establishing operational standards which will provide practitioners and listed companies with greater certainty about the relevant listing decision process.
 - Detailed biographies of Committee members are published on HKEx's website to provide parties who will appear before the Committee with more details about members' business and other interests to assist in the identification of possible conflicts arising from those interests.
10. The publication of this Annual Report gives an account of the more important issues that the Listing Committee has considered in the year, some statistics about the decisions made and activities of the Listing Committee.
11. The need to maintain confidentiality, for reasons related to natural justice or because of statutory secrecy provisions applying, means that it is often difficult or inappropriate for the Committee to comment on individual cases including disciplinary matters until these have been concluded. This can present a particular challenge where matters attract media coverage. Individual Committee members and staff of the Exchange are seldom in a position to respond to media enquiries about specific cases. Nonetheless, the Committee is committed to operating in as transparent a manner as these constraints permit.

12. The Listing Committee is always open to suggestions of what further information could be published which would enable the investing public, practitioners and listed companies to make a better informed assessment about how well the listing decision making process is working.

Main Issues Arising in the Year

13. The Committee has been presented with many issues to consider during 2007. Some of these formed the basis of consultation papers issued during the year or shortly thereafter as follows:
- On 27 July 2007 the Consultation Paper on GEM was issued. This proposed positioning GEM as a second board. The Committee has subsequently considered the responses to this consultation paper and will publish Consultation Conclusions and rule changes in the second quarter of 2008.
 - On 31 August 2007 the Consultation Paper on Periodic Financial Reporting was published. This sought views on shortening the time allowed for the release of results announcements and reports, the introduction of quarterly reporting requirements for Main Board issuers and alignment of the GEM rules in respect of quarterly reporting with the proposed Main Board requirements.
 - On 11 January 2008 the Combined Consultation Paper was published seeking views on 18 substantive policy issues.

Copies of the above consultation papers are available on the HKEx website. Other issues which the Committee considers merit attention are set out below.

IPO Applications – Alibaba.com Limited (“Alibaba”)

14. In the course of the year the Committee approved the listing application of Alibaba, a leading B2B e-commerce company in Mainland China. A notable issue considered by the Committee was the grant of a waiver of Paragraph 4.2 of Practice Note 18 of the Listing Rules (the “PN 18 Provision”) in respect of the clawback mechanism on the basis of the particular facts of the case.
15. Upon guidance given by the Committee, Alibaba introduced a clawback mechanism that contained the following features:
- (a) Due regard to the interests of local retail investors, with an initial allocation of 15% to the Hong Kong Public Offering tranche enabling Alibaba to offer more shares at the initial stage to local retail investors compared with the 10% initial allocation as provided under the PN 18 Provision.
 - (b) Earlier clawback triggers, with trigger multiples set at lower oversubscription levels, compared with the requirements under PN 18 Provision (1st trigger: 10x vs 15x; 2nd trigger: 20x vs 50x; 3rd trigger: 40x vs 100x).
 - (c) Easy to implement and easy to understand for the investing public.

16. The Committee welcomes the decision of Alibaba to introduce a clawback mechanism which affords local retail investors a larger number of shares under the final offering structure coupled with lower oversubscription clawback triggers. This accords with the policy consideration underlying PN18, which is to introduce greater flexibility for the public distribution of securities in equity offerings whilst ensuring that the interests of local investors would not be disadvantaged. Given that the PN18 Provision sets forth a single structure providing a benchmark minimum allocation to the subscription tranche for all IPOs, where the facts of the application so warrants, the Exchange will consider deviating from the benchmark formula and granting a waiver.
17. On the basis of the particular features of the proposed clawback mechanism, the Committee granted a waiver to Alibaba in respect of the PN18 Provision.

Pre-IPO Investments

18. During the year under review the Committee noted that listing applicants and their controlling shareholders continue to engage in different forms of pre-IPO investments with private equity investors for various purposes including raising funds for general working capital.
19. The Committee maintained its view as set forth in its report for 2006 that whilst pre-IPO investments shortly before listing is not considered to be objectionable, any preferential investment term available only to pre-IPO investors may at times be inconsistent with the principles under Listing Rule 2.03 that all holders of listed securities are to be treated fairly and equally.
20. The Committee also acknowledged that the controlling shareholders of a listing applicant may be at liberty to enter into private arrangements with pre-IPO investors. However, where the combined effect of such arrangements means that pre-IPO investors would not be exposed to equity investment risks prior to the IPO, the Exchange may view the absence of equity risks inconsistent with the principles under Listing Rule 2.03. This is particularly where the arrangements in effect create two different acquisition prices for the same securities on the date of listing without a corresponding difference in the degree of investment risk assumed.
21. In addition to the published series of Listing Decisions 55, a new series of Listing Decisions under references HKEx-LDs 59-1 to 59-7 was published in August 2007 with a view to further clarifying the rationale behind the decisions of the Committee in certain individual cases.
22. During the year of review, the Committee considered the preferential terms available only to pre-IPO investors in a number of applications and concluded certain features to be inappropriate. These included in one of the cases the presence of a conversion price reset feature which was severely disadvantageous to shareholders in that such feature allowed the bondholders to hold up to 99.98% in the issued share capital of the listing applicant. In another case, the pre-IPO investment was structured to allow pre-IPO investors who had invested by way of bonds to partially convert the bonds into shares of the listing applicant post listing, thereby becoming shareholders of the listing applicant whilst maintaining certain preferential rights under the bonds which are not generally available to other shareholders of the listing applicant.

Posting of Web Proof Information Packs (WPIPs) on the HKEx Website

23. The Committee has, during the course of the year, considered recommendations put forward by the Listing Division on initiatives to further refine the IPO vetting process with a view to enhancing investor protection. One such initiative is to introduce measures that could help level the playing field for institutional and retail investors in the receipt of information about a new applicant in IPO cases prior to the commencement of the public offering.
24. The Committee has commented in its report of 2006 that it welcomes the decision of Industrial and Commercial Bank of China (“ICBC”) to provide information packs before publication of its legal prospectus to give public investors earlier access to information about its IPO in much the same way that a “red-herring” provides professionals with information about an upcoming IPO. China CITIC Bank Corporation Limited subsequently in this year also adopted an identical approach to post an information pack to provide earlier access to information about its IPO to potential investors.
25. The Committee took note of the general positive feedback from the market on the conceptual framework of WPIP-posting and considered it appropriate to take forward the WPIP-posting proposal such that the posting of the WPIP could be applied across the board to all listing applicants. On this initiative of WPIP-posting, the Committee noted that conceptually it is consistent with the SFC’s Consultation Conclusions on Possible Reforms to the Prospectus Regime published in September 2006 regarding pre-deal research reports by connected analysts whereby the SFC also proposed to require the red-herring prospectus be made available to the public after the relevant Listing Committee has been heard.
26. Building on previous experiences, in October 2007 the Committee endorsed a policy proposal, formulated on the basis of findings after having consulted a selected group of market practitioners from the sponsor and legal communities in August 2007, to implement a pilot scheme requiring the posting of a Web Proof Information Pack (WPIP) on the HKEx website at an earlier stage of the listing process.
27. On 5 November 2007, the Exchange and the SFC together published a joint policy statement announcing the introduction of the pilot scheme. The scheme took effect on 1 January 2008 and will be reviewed three months from that date.
28. The pilot scheme applies across the board to all new listing applicants including applicants of real estate investment trusts and other collective investment schemes (CIS). Under the pilot scheme, the Exchange issues a “request for posting” around the same time as the Exchange sends out the letter which sets forth the Listing Committee’s comments and conditions to the listing approval, to require every listing applicant to post a WPIP on the HKEx website no later than the earlier of the distribution of the red herring prospectus (or whatever materials or documents of similar nature by whatever names they are called), and commencement of marketing to the investors in the placing tranche for “bookbuilding” purposes, irrespective of whether any red herring has been distributed. In the case of a CIS applicant, the “request for posting” is issued by the SFC around the same time as the SFC sends out the approval-in-principle letter.

29. The Committee shares the view of the Listing Division that the posting of a WPIP containing essential information about the listing applicants and their businesses would have the beneficial effect of providing greater access to relevant information at an earlier stage of the listing process more closely equivalent to that enjoyed only by professional investors in the past. The earlier disclosure of information by IPO applicants helps address the apparent inequality of information dissemination as between institutional and public investors in the lead up to IPOs and allows public investors more time to analyse and consider the materials before making informed investment decisions.

Listing of Overseas Companies on the Exchange

30. As stated in its report of 2006 the Committee expressed its support in principle for doing more to facilitate the listing of companies incorporated outside the current four recognised jurisdictions (that is, Hong Kong, Mainland China, Bermuda and Cayman Islands). Subsequently Australia and British Columbia, Canada were accepted as approved jurisdictions of incorporation for the purposes of primary and secondary listing under Chapter 19 of the Listing Rules.
31. In the year under review, the Committee endorsed the publication of a joint policy statement on 7 March 2007 by the Exchange and the SFC regarding the listing of overseas companies. The joint policy statement seeks to achieve three objectives:
- (a) Clarify the Listing Rules highlighting the fact that the Listing Rules do not prohibit the listing of companies from outside Hong Kong or the Recognised Jurisdictions (Mainland China, Bermuda and Cayman Islands); and explain the Exchange's existing practices with respect to listing of overseas companies incorporated outside Hong Kong and the Recognised Jurisdictions.
 - (b) Set out a clear road map for companies incorporated outside Hong Kong and the Recognised Jurisdictions by including a schedule of shareholder protection matters that the Exchange ordinarily expects overseas applicants to address when they file their applications. It is intended that the schedule will assist overseas applicants by reducing the volume of materials they need to file with Exchange and thus allowing them to focus on fewer more relevant issues.
 - (c) State factors that may affect an overseas company's eligibility for listing:
 - the presence of cross-border regulatory cooperation for the purposes of enforcing and securing compliance with the laws and regulations; and
 - the presence of reasonable nexus between an overseas company's operations and its place of incorporation.
32. The Committee considers that the guidance as provided in the joint policy statement should be able to remove a significant element of uncertainty about the listing process for overseas companies as well as to provide a clear signal that the Hong Kong listing regime is open to companies from overseas jurisdictions.

33. While the joint policy statement does not represent a significant liberalisation of the regime applicable to listing by overseas companies, the Committee expressed a willingness to consider adopting a more liberal disclosure based approach, as is adopted in a number of other jurisdictions after a period of further experience in handling applications from overseas companies. The Committee views that certain minority shareholder rights are critical and where the laws of the jurisdiction of incorporation of the overseas company applying for listing do not provide for such rights, such listing applicant may nevertheless amend its articles so as to adopt such rights.

Modification of the Fixed Monetary Cap Requirement for certain Connected Transactions

34. As set out in Main Board Rule 14A.35 (GEM Rule 20.35) a listed issuer entering into a continuing transaction with a connected person must set a maximum annual cap in respect of that transaction expressed in monetary value, rather than as a percentage of the issuers' annual revenue. The Exchange has received a number of enquiries from listed issuers in the oil and gas industry seeking waivers from applying a monetary cap in respect of continuing connected transactions relating to purchases and/or sales of oil and gas products. Due to volatility in the commodity prices of oil and gas, these listed issuers asserted that assumptions used in setting monetary caps at reasonable levels proved unrealistic, resulting in concerns that the monetary caps would be exceeded and would need to be refreshed. The issuers submitted that engaging in the process of refreshing shareholder approval is time consuming and costly. In addition, they would be subject to potential risks that an ongoing transaction might not be re-approved by their independent shareholders.
35. At a policy meeting in April 2007, the Listing Committee noted that a monetary cap might not provide meaningful information for investors in such circumstances. The Listing Committee agreed to grant waivers to listed issuers, provided that they would disclose alternative caps of a fixed quantum and provide supplementary disclosures to illustrate how the change in assumptions outside the control of the directors of the listed issuers will affect the monetary value of the transactions in question. Listed issuers would need to estimate the volume of the transactions, but not the future commodity prices, and report on compliance with such caps in their annual reports. The SFC has given consent pursuant to Rule 2.04 and agreed to allow the Exchange to grant waivers of general application to the monetary cap requirements in the circumstances described.

General waivers from Main Board Rules 8.08(2) and 8.08(3) in respect of a bonus issue of a class of securities new to listing

36. Main Board Rules 8.08(2) and 8.08(3) set out specific requirements for a minimum spread of holders of securities applicable to a class of securities new to listing. These requirements ensure an open, fair and orderly market in each class of securities for which listing is sought.
37. In a recent case a listed issuer proposed a new listing of warrants on the Exchange. The warrants were to be allotted to all the holders of the listed shares as a bonus distribution pro-rata to their existing holdings. In view of shares being held by nominees, the listed issuer was unable to readily ascertain the number of existing shareholders and consequentially, whether Rules 8.08(2) and (3) would be met in respect of the new class of warrants proposed to be listed.

38. The Listing Committee considered the matter at a policy meeting in July 2007. It was recognized that where a new class of securities (normally options, warrants or similar rights to subscribe or purchase securities) is distributed to existing shareholders as a bonus issue, there would be difficulties in complying with the Rules due to practical difficulties in determining the number and identity of the listed issuer's beneficial shareholders after listing. Accordingly, the Committee considered that a waiver from the minimum spread of holders in respect of the new class of securities would be appropriate where there is an open market in the listed securities. The waiver would not be available to a listed issuer where there are circumstances to indicate that the listed securities may be concentrated in the hands of a few shareholders within the five years preceding the date of the announcement on the proposed bonus issue.
39. This matter is part of the 2008 market consultation on proposed rule amendments. In the interim, the SFC has given consent pursuant to Rule 2.04 and agreed to allow the Exchange to grant waivers of general application such that Rules 8.08(2) and 8.08(3) will not apply to a bonus issue of a new class of securities such as options, warrants or similar rights to subscribe or purchase shares.

Allocation Basis for Excess Shares in Rights Issues and Open Offers

40. The Exchange has noted concerns raised by investors on the fairness of certain methods for allocation of shares to shareholders making excess applications under rights issues and open offers. In two cases involving rights issues by listed issuers in 2007, complaints were made against those listed issuers for the allocation of excess rights shares in a manner proportionate to the existing holdings of the shareholders applying for those excess shares. In particular, there were concerns that the proportionate method of allocation favored large shareholders, without regard to the actual amount of excess applications made by shareholders.
41. Under Main Board Rule 7.21 (GEM Rules 10.31) listed issuers must allocate excess rights shares to subscribing shareholders on a fair basis. The rule, however, does not specify a particular method for making the allocation. At a policy meeting in September 2007, the Listing Committee having regard to the range of current market practices determined that it would not be appropriate to mandate or prescribe allocation methods but it would be appropriate for listed issuers to provide additional transparency and disclose the intended method of allocation of the excess securities in the announcement, circular and listing document for a rights issue or open offer. A proposal to amend the disclosure requirements in the Listing Rules to this effect was included in the Combined Consultation Paper published on 11 January 2008.

Eligibility of Company Secretary

42. As set out in Main Board Rule 8.17 (GEM Rule 5.14) a company secretary of an issuer must be an ordinary member of the Hong Kong Institute of Chartered Secretaries, a solicitor or barrister as defined in the Legal Practitioners Ordinance or a professional accountant, or an individual who, by virtue of his academic or professional qualifications or relevant experience, is in the opinion of the Exchange, capable of discharging the functions of a secretary of the issuer. In the case of a Mainland issuer, Main Board Rule 19A.16 (GEM Rule 25.11) provides that in assessing the “relevant experience” of a company secretary, the Exchange will normally have regard to, among other considerations, the period of his employment with the Mainland issuer and his familiarity with the Exchange Listing Rules.
43. In a Listing Decision (LD35-1) released in 2003, the Exchange provided guidance for granting waivers in circumstances where the company secretary of a Mainland issuer does not possess the relevant professional qualifications. In such circumstances, the company secretary should be assisted by a suitably qualified person for an initial period of 3 years so as to enable him or her to acquire the relevant experience. At the end of the 3-year period, the Exchange would re-visit the situation in the expectation that the issuer should then endeavour to demonstrate to the Exchange’s satisfaction that the company secretary would have acquired relevant experience such that a further waiver would not be necessary.
44. During the year the Listing Committee considered the eligibility of a number of company secretaries of Mainland issuers upon the expiry of the 3-year waivers. The Listing Committee noted the principal background to the waiver was the listing of Mainland issuers. Many of those companies had existing company secretaries that did not meet the requirement in the Listing Rules. It was necessary for these issuers to have a secretary familiar with Hong Kong Listing Rules and practices, and the 3-year waiver provided a means to allow an existing secretary to continue in that role while having access to an individual who was qualified as a secretary.
45. In assessing the qualifications of these company secretaries the Listing Committee reviewed the relevant experience these secretaries acquired during the 3-year waiver period, including the frequency and range of more complex issues handled, working experience obtained, training through attending seminars and workshops and the professional qualifications of the individuals. In the cases considered the Listing Committee accepted the experiences of the individuals acquired in the 3-year period to be “relevant experience”.
46. The Listing Committee also recognised in response to HKEx’s push to attract a broader range of overseas companies that more formalized criteria would need to be established to assess the qualifications of secretaries for issuers operating outside Hong Kong generally, and considered parameters including local professional qualifications (for example, a lawyer or accountant) and appropriate training on the Hong Kong Listing Rules. The Committee intends to revisit the policy regarding how the Exchange should apply the discretion granted to it by paragraph (3) of Rule 8.17 in respect of when a person will be suitable to be the secretary of a listed issuer.

Associates of a government

47. Under Main Board Rule 2B.02, the Listing Committee may at any time conduct a hearing in relation to any matter relating to, or arising out of, the Exchange Listing Rules. In 2007 the Listing Committee exercised its powers under Main Board Rule 2B.02 to consider the applicability of the term “associate” to, among others, statutory bodies and funds managed by departments of the Hong Kong SAR Government for purpose of determining whether such “entities”, which are also shareholders of a listed issuer, need to abstain from voting in a transaction between the listed issuer and other “entities” connected to the Government.
48. Taking a narrow and strict legalistic approach to the application of the Listing Rules, the definition of associates under the Listing Rules would appear not to apply to government departments and related entities as the Government would neither be an individual nor a company under the definition of “associate” in Main Board Rule 1.01. However, the Listing Committee considered in the circumstances presented it was appropriate to take a purposeful approach to ensure that the spirit of the Listing Rules is adhered to. An important principle behind the Listing Rules is that parties whose votes could be influenced by connected persons should be prohibited from voting on the transaction.
49. In the transaction in question the Exchange was satisfied following its review that a purposeful approach had also been taken by the listed issuer. However to avoid any potential dispute concerning the proper interpretation of these requirements the Exchange will develop proposed rule amendments to provide clarity.

Waiver to allow publication of certain announcements by listed issuers during trading hours

50. In September 2007, the Listing Committee considered an application for waiver from Main Board Rule 2.07C(4) by a listed issuer with dual primary listings on the Exchange and another overseas jurisdiction. Rule 2.07C(4) prohibits the publication of announcements (with limited exceptions) between 9:00 a.m. and 4:15 p.m. on a business day. The impact of the waiver is that where the listed issuer is obliged under overseas regulations to release price sensitive information in the overseas jurisdiction, an announcement would be simultaneously released in Hong Kong. This announcement may be released during trading hours in Hong Kong and no suspension of trading would be required.
51. The waiver was sought by the listed issuer as a result of conflicts between its obligations in the overseas jurisdiction, which requires it to release price sensitive information as soon as possible, and the prohibition under Rule 2.07C(4) to publish the announcement in Hong Kong between 9:00 a.m. and 4:15 p.m. The listed issuer considered that if it were to delay the release of the announcement on price sensitive information until after close of trading in Hong Kong, it could be exposed to prosecution in the overseas jurisdiction. Conversely, a release of the announcement overseas without simultaneous release of the announcement in Hong Kong would cause suspension in the trading of its securities in Hong Kong.

52. The Listing Committee considered that a suspension in Hong Kong and not overseas could deprive Hong Kong investors of the opportunity to trade in the securities, and accordingly, granted a waiver to the listed issuer. The waiver is granted on the understanding that suspension would still be required if there was a leakage of price sensitive information, or if price sensitive information could not be released on a timely basis, and in the expectation that the listed issuer would manage its affairs with regard to the signing of agreements to ensure, as far as practicable, that there will be continuous trading of its securities.
53. In June 2007 the Exchange abolished the requirement for Main Board issuers to publish announcements by way of paid advertisements in newspapers. This laid the foundation for a new dissemination regime and provides an opportunity for further potential developments such as real time electronic disclosure during trading hours on the HKEx and the issuers' websites. The grant of the above waiver is in line with development towards such dissemination regime.
54. At a meeting in December 2007 the Listing Committee approved a proposal to allow issuers to publish all announcements, including those containing price sensitive information, in the morning publication window (6:00 a.m. to 9:00 a.m.) and during an extended lunchtime publication window (12:30 p.m. to 2:00 p.m.) without imposing a suspension or trading halt. The new publication arrangements are scheduled to take effect on 10 March 2008, and will move the Exchange closer towards real time dissemination of information in line with the practices of other major international financial centres.

Reverse takeovers

55. A "reverse takeover" is defined in the preamble to Main Board Rule 14.06(6) (GEM Rule 19.06(6)) as an acquisition or a series of acquisitions of assets by a listed issuer which, in the opinion of the Exchange, constitutes an attempt to achieve a listing of the assets to be acquired and a means to circumvent the requirement for new listing applicants. Main Board Rule 14.06(6) (GEM Rule 19.06(6)) also describes two specific circumstances of reverse takeovers: (a) involving very substantial acquisition(s) resulting in a change in control (as defined in the Takeovers Code) of the listed issuer; and (b) involving very substantial acquisition(s) of assets from a person(s) or its associates within 24 months of such person(s) gaining control (as defined in the Takeovers Code) of the listed issuer. The current rule was amended in 2004 to adopt a predominantly bright line test involving two aspects: i) to determine a change in control, which is based on the Takeovers Code; and ii) to assess an acquisition of new business based on the size of the acquisition, and replaced the more subjective criteria under the old rules.

56. At the policy meeting in November 2007, the Listing Committee was presented with a review of 66 transactions conducted since the rule amendment which demonstrated characteristics of reverse takeovers. 54 of these transactions were structured outside the bright-line tests of changes in control (as defined in the Takeovers Code) and/or business as set out in the current reverse takeover rules. Several emerging trends were noted in the subject transactions including the issue of convertible securities with a prescribed cap on conversion, as consideration for the acquisition to maintain the incoming shareholders' interest in the listed issuer below 30% (the trigger for change of control under the Takeovers Code), or involving listed issuers with diverse shareholding base, which would allow the incoming shareholder to become the single largest shareholder, yet holding less than 30% shareholding interest. In certain cases the injections of assets represented a material change in the principal business of the listed issuers, in other cases listed issuers downsized a transaction from a very substantial acquisition after regulatory concerns were raised on compliance with the reverse takeover rules.
57. The Listing Committee reviewed the application of the current reverse takeover rules to these transactions, and considered if the current rules were appropriate and if any refinement was necessary. The Listing Committee confirmed and endorsed the current alignment of the control test in Rule 14.06(6) and GEM Rule 19.06(6) with the test in the Takeovers Code for assessing changes of control. The Listing Committee also noted that while the current control test introduced elements of the Takeovers Code into the assessment of "control" (such as the presumption of acting in concert) which are beyond the plain meaning of "voting control", it would be a matter for the Takeover Executive to monitor and administer.
58. The Listing Committee noted that the current reverse takeover rules have had a generally positive effect, have provided a degree of clarity to the market and agreed that no further refinement would be made for the time being. The Committee also confirmed that while paragraphs (a) and (b) to Main Board Rule 14.06(6) (GEM Rule 19.06(6)) refer to two specific forms of reverse takeovers, these are not meant to be exhaustive. The preamble to Main Board Rule 14.06(6) (GEM Rule 19.06(6)) describes what is a reverse takeover, accordingly, transactions which are, in substance, backdoor listings but do not fall strictly within paragraphs (a) and (b) of the Rule may still be considered reverse takeovers subject to reverse takeover requirements under the Rule.

Meeting Statistics and Activities

59. 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	
	2007	2006	2007	2006
Regular Meetings	49	49	11.9	10.9
Review Meetings (*excluding reviews by Listing Appeals Committee)	8	22	6.0	5.7
Disciplinary Meetings	12	15	6.1	5.9
Quarterly and ad hoc policy meetings	4	5	21.7	18.5
Total	73	91		

Approval of New Listing Applicants

60. One of the principal items of business of the Committee's regular meetings is considering whether or not to approve new listing applications. These are considered on the basis of reports from the Listing Division, which include a recommendation on whether or not to approve the listing application. In respect of each application considered by the Listing 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	2007	2006
Meetings Within the Regular Schedule	44	42
Specially Convened Meetings	2	2
Listing Applications considered by the Listing Committee	2007	2006
Main Board	92	65
GEM (see note 1 below)	3	6
Total	95	71
Applications Approved		
Main Board	90	59
GEM	3	5
Total	93	64
Applications Rejected		
Main Board	0	3
GEM (see note 2 below)	0	1
Total	0	4
Decisions Deferred Pending Further Information		
Main Board	2	3
GEM	0	0
Total	2	3
Listing Applications considered by the Listing Committee	2007	2006
Applications Subsequently Listed to 31st December		
Main Board	78	51
GEM	3	5
Total	81	56

Notes:

(1) Includes a Very Substantial Acquisition and reverse takeover treated as a new listing application.

(2) The GEM application rejected in 2006 represents the withdrawal of an approval that had previously been granted in light of additional information not available when the listing application had initially been considered.

Cancellation of Listing of Listed Issuers

61. 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. They may also be delisted pursuant to Chapter 6 of the Main Board Rules. GEM Rules 9.14 to 9.18 deal with the delisting of GEM companies.
62. 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, 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.
63. Statistics in relation to delisting matters considered at the Committee’s regular meetings are set out below:

Nature of decision (note 1)	Number of cases	
	2007	2006
Main Board		
Issuers to be placed into third stage of delisting procedures		
– Without issuer having submitted resumption proposal	5	2
– After rejecting resumption proposal as not valid (note 2)	2	–
Issuer to be given notice of intention to delist pursuant to Rule 6.10	1	–
Listing to be cancelled without issuer having submitted resumption proposal	2	1
Listing to be cancelled after rejecting resumption proposal submitted as not viable (note 3)	–	1
Trading to be resumed	1	–
GEM		
Issuer to be given notice of intention to delist pursuant to GEM Rule 9.14	2	7
Listing to be cancelled without issuer having submitted resumption proposal (note 4)	3	3
Listing to be cancelled after rejecting resumption proposal submitted as not viable (note 5)	1	1
Trading to be resumed	2	–

Notes:

1. Unless otherwise indicated these decisions were not appealed against.
 2. One of these decisions was appealed against and upheld on review.
 3. This decision was appealed against and the review remained outstanding at the year end
 4. One of these decisions in 2007 was appealed against and the review remains outstanding at the year end
 5. The decision in 2007 was appealed against and the review remains outstanding at the year end. The decision in 2006 was appealed against and upheld on review.
64. During the year, the Listing Committee had decided to serve two long-suspended companies with notice of the Exchange’s intention to delist them for reasons other than failure to maintain sufficient operations and assets:
 - (a) One of these cases involved a Main Board company which had repeatedly failed to meet its continuing obligations under the Listing Rules, including the financial disclosure obligation. The company had also failed to respond to the Exchange’s enquiries or provide the Exchange with the necessary information in a timely manner. The Listing Committee considered that the company was unsuitable for listing for material breaches of the Listing Rules and decided to proceed with the cancellation of the company’s listing status pursuant to Main Board Rule 6.10.

- (b) There was a similar case involving a GEM company where the Listing Committee noted the company's failure to meet its continuing obligations under the Listing Rules and the lack of cooperation from the company in addressing the Exchange's concern on the breaches of Listing Rules. The Listing Committee considered that the company had not taken adequate action to obtain a restoration of listing and decided to invoke the delisting procedures pursuant to GEM Rule 9.14.

Each of these companies was given a final period of six months to remedy those matters that gave rise to the Exchange's intention to delist the company.

65. The Listing Committee's annual reports for 2004, 2005 and 2006 and the Feedback Statement on the Consultation on Continuing Listing Criteria and Related issues published by the Exchange on 7 February 2005 had contained commentary on the Exchange's experience in handling long-suspended companies and some guidance to assist the companies in preparing resumption proposals. In particular, it was stated that resumption proposals must be clear, plausible and coherent and they should be presented in sufficient detail, including forecasts, to enable them to be assessed by the Exchange. Clear and detailed plans for the future development of business should also be presented.
66. However, the Listing Committee continued to find that a number of resumption proposals submitted by long-suspended companies still fell short of the Exchange's expectations and were rejected by the Listing Committee due to the lack of sufficient detail to support their creditability and to demonstrate that they were viable. The process for delisting of these companies were prolonged as many of these companies requested review of the decision of the Listing Committee by the Listing Review Committee and in some cases, a second review by the Listing Appeals Committee. The Listing Committee noted with concern a developing trend that in substance entirely new proposals were presented by some companies and their advisers during the process of a final review by the Listing Appeals Committee and in one extreme case, during the hearing. Notwithstanding that the company was given a long period of time under the delisting procedure to submit resumption proposals, it only came up with viable proposals that would also afford better treatment of minority shareholders at a very late stage. These cases undermine the current delisting procedure including the review process and reveal that there is little regulatory value to maintaining a 3-stage delisting process.
67. The Listing Committee considered it appropriate to review the delisting procedure during 2008. In this connection, the Listing Committee notes a pending judicial review (which involves the Exchange and Sanyuan Group Limited) concerning the delisting procedures. The Listing Committee will take note of the decision into consideration when formulating any proposed rule changes.

Other Regular Business

68. At each regular meeting the Listing Division provides the Committee with information on companies whose shares have been suspended from trading since the last regular meeting of the Committee. Each month the 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 HKEx's website in respect of long suspended companies and companies delaying the release of results announcements.

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

Nature of decision/advice sought	Number of cases	
	2007	2006
Eligibility of an individual as a director	1	–
Eligibility of an individual to be appointed as company secretary	2	–
Guidance on parties to be regarded as associates of an issuer in a transaction	1	–
Guidance on application of Rule 10.04 to fund management company	1	–
Approval of waiver in respect of disclosure of certain property interests in circular to shareholders	1	–
Approval for a voluntary withdrawal of listing (including 4 cases (2006: 2 cases) involving a transfer from GEM to the Main Board)	14	17
Approval of an issuer of structured products	4	3
Approval for listing of debt securities not delegated to the Head of Listing	1	8
Requests for pre-application guidance from potential IPO candidates	6	8
Consideration of proposals for a change in domicile of the issuer	–	2
Approval of waiver in respect of lock up restrictions in connection with a privatisation	–	1
Consideration of spin-off applications	–	5

Review Meetings

70. The Committee considered 8 (2006: 22) 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 5 (2006: 3) request for reviews. Details of these reviews are set out in the table below.

Appeal Committee	Decision made by	Nature of decisions	Number of cases	Outcome
Listing Appeals Committee	Listing Disciplinary (Review) Committee	Disciplinary Sanction	1	Earlier decision upheld
	Listing (Review) Committee	Viability of Resumption Proposals	4	Earlier decisions upheld. However in 3 cases new proposals presented to the Committee were accepted as viable
Listing (Review) Committee	Listing Committee	Rejection of listing application	1	Earlier decision overturned
	Listing Committee	Viability of resumption proposal	2	Earlier decisions upheld
GEM Listing (Review) Committee	GEM Listing Committee	Viability of Resumption Proposal	2	Earlier decisions upheld
Listing Committee	Listing Division	Classification of a transaction	3	Earlier upheld in 1 case, overturned in 1 case (note)

(Note: one meeting was adjourned.)

71. As at 31st December 2007, excluding disciplinary matters (which are discussed in the following section), two cases were under review as follows:

Appeal Committee	Decision made by	Nature of decisions	Number of cases
Listing Appeals Committee	Listing (Review) Committee	Viability of Resumption Proposal	1
Listing Committee	Listing Division	Classification of a transaction	1

Disciplinary Meetings

72. To utilise its existing resources to the best regulatory effect, the Listing Division focuses its resources on pursuing the most blatant and serious breaches of the Listing Rules. These tend to be cases where some form of public sanction will be sought against the listed company and/or directors.
73. Disciplinary matters are generally dealt with at specially convened meetings of the Committee. Written representations are central to the process. A typical case will involve two rounds of written submissions from the Division and from those alleged to have breached the 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 Committee members may ask questions of any party or its legal representative present at the meeting. The parties may thereafter make closing submissions.
74. Some disciplinary matters are dealt with at regular meetings of the Committee when a proposal to settle a disciplinary matter with an agreed sanction is presented to the Committee for endorsement. This approach has been adopted in a growing number of occasions over the last three years. In 2005, five disciplinary matters were concluded by settlement whereas in 2006 seven cases were resolved in this way and eight in 2007.
75. It is important to stress that while the Committee is prepared to consider settlement proposals this approach is encouraged against the background that public outcomes are sought which are justified on the basis of the Listing Rules and the facts of the particular case. From the regulatory perspective disposal of actions through this mechanism enables the Exchange to achieve quicker and effective disciplinary results and this enables the Exchange to then utilize our resources more efficiently and to focus on cases which may have a significant regulatory impact. In order to improve transparency the Listing Committee has on 22 June 2007 approved the publication of a statement describing the process and factors to be taken into account if a disciplinary matter is to be settled. The text of the full statement is to be found on the HKEx website.
76. 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 rules and improve corporate governance. Such directions have, for example, imposed an obligation to retain external assistance in the creation or revision of compliance structures.

77. Coupled with the retention of external advice and assistance, the Listing Committee views training for directors of particular importance as part of a remedial package where serious breaches have been identified. Directions to compel directors to submit to a training programme by recognized training providers have become increasingly frequent in such circumstances. In addition, to support the directions made in specific disciplinary actions a sub-Committee has been established to consider the provision of training for directors generally and the sub-Committee is currently working with professional institutions such as the Hong Kong Institute of Directors and the Hong Kong Institute of Chartered Secretaries to identify and structure appropriate programmes designed to deliver the requisite level of understanding to enable directors to discharge their compliance obligations.
78. A number of the cases considered by the Committee during the year illustrate the importance of issuers' taking steps to ensure that they have adequate and appropriate systems in place to ensure that they can meet their obligations to report financial information in a timely manner. In addition, certain cases have emphasised the Exchange's views on senior management responsibility with regard to compliance systems.
79. 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 that there should be no further regulatory action. Self reporting cannot automatically lead to no sanction but it is a factor we consider, in the context of the facts and circumstances of each case, to mitigate the level of sanction.
80. 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 mitigation. Directors are required by the terms of their undertaking to the Exchange, to co-operate 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 rules suspected and the Committee has imposed public sanctions in two cases this year where Directors have failed to respond to enquiries and attend meetings when requested by the Listing Division.
81. The Listing Committee has noted with concern a number of requests for the adjournment of disciplinary hearings by the parties subject to proceedings sometimes only shortly before the hearing is due to go ahead. Dates for disciplinary hearings are fixed well in advance to permit adequate time for preparation by all parties and for Committee members hearing the case to read the papers which can be voluminous. While postponements may be granted in the interests of fairness, delays will only be permitted where compelling reasons are advanced with supporting documents (where necessary) to justify the request. It is not in the interests of the investing community and the market generally for excessive and extensive delays to be permitted to the timely discharge of disciplinary business unless strong and compelling reasons exist.

82. An analysis of the nature of the alleged breaches of the Listing Rules considered at disciplinary and regular meetings is set out below.

Nature of Alleged breach of Listing Rules	Number of:	
	Meetings	Cases
Misstatement or misleading information in prospectus or Announcement	3	2
Failure to publish annual accounts and interim accounts within prescribed deadlines	2	2
Failure to disclose price sensitive information, significant advances to entities or discloseable transactions	8	6
Failure to obtain shareholder approval for connected or other transactions (includes one case which is subject to further review)	12	9
Failure to respond to enquiries	1	1
Failure to comply with the Model Code for director's dealings in securities	1	1
Total	27	21

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.

83. An analysis of the outcome of the above cases is set out in the table below.

Outcome	No. of Cases
Public Sanction – published in period	16
Public Sanction – awaiting publication	4
Cases subject to further review	1
Total	21

Policy Development

84. Policy matters are generally dealt with at policy meetings of the Committee as this helps to ensure broad participation from the Committee membership. The 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 meetings or amendments to the Listing Rules which had previously been approved at quarterly meetings which were minor in nature but which, nonetheless, required the Committee's approval.
85. We summarise in the table below the policy matters considered at the Committee's policy meetings in April, July, September and November and at various regular meetings as noted below.

Date	Items
4th January 2007 Regular meeting	– Listing of overseas issuers – Report on Code on Corporate Governance Practices
1st March 2007 Regular meeting	– Policy statement on listing of overseas issuers
15th March 2007 Regular meeting	– Rule amendments arising from abolition of requirement to publish announcements in newspapers
23rd April 2007 Policy meeting	– Proposed amendments to the Listing Rules to further delegate approval of structured product issues – Proposed amendments to the Listing Rules dealing with distribution of IPO brokerage to Exchange Participants – Directors: reasons for resignation – follow up to November 2006 report – Multiple directorships – reporting back – Draft Consultation Paper on GEM – Review of public float requirements – Professional training requirements for directors in the context of disciplinary actions – Criteria for settlement of disciplinary matters – Requirements for listed issuers' company secretaries – Provision of guidance on obligations of Independent Non-Executive Directors – Review of Rule 8.21B (Pre-deal research for IPOs) – Modification of annual caps for non-exempt continuing connected transactions – Application of discloseable transaction requirements for self-constructed assets – Periodic financial reporting including quarterly reporting for Main Board Issuers – Disclosure of financial information in takeovers – Review of approach to pre-vetting announcements and circulars
14th June 2007 Regular meeting	– Draft Consultation Paper on GEM

Date	Items
16th July 2007 Policy meeting	– Issues for Combined Consultation Paper: • Review of the Exchange’s approach to pre-vetting • Disclosure of information in takeovers • Disclosure of changes in issued share capital • Disclosure requirements for issues of securities for cash • General mandates • Disclosure of information about and by directors • Use of websites for communication with shareholders – Draft Consultation Paper on periodic financial reporting – Proposed amendments to the Listing Rules, fees in respect of Structured Products – Application of Main Board Rules 8.08(2) and 8.08(3) to bonus issues securities – General powers of the Exchange for information gathering – Proposed survey of corporate governance practices disclosed in 2006 annual reports – Waivers for the first annual results announcement and first annual reports in respect of newly listed issuers who included equivalent information in their IPO prospectuses – Application of Main Board Rule 13.36(1) to material dilution in listed subsidiaries – Public float requirements – Review of Rule 8.21B – Follow-up
10th September 2007 Policy meeting	– Issues for Combined Consultation Paper: • Information gathering powers • Allocation basis for excess shares in rights issues • Review of director’s and supervisor’s declaration and undertaking • Qualified Accountants • Codification of waiver to property companies • Self-constructed fixed assets • Voting at general meetings • Review of Model Code for Securities Transactions by Directors of listed issuers • Alignment of requirements for material dilution in major subsidiary and deemed disposal • Review of sponsor’s independence – Timing of despatch of shareholder circulars for spin off proposals by listed issuers – Proposed amendments to the Listing Rules-reduction in number of copies of circulars and listing documents to be sent to the Exchange – Proposed amendments to the Listing Rules – minor amendment arising from introduction of closing auction – Approach to resolve possible conflict between regulatory requirements for issuers with an overseas listing to disclose price sensitive information – Proposed establishment of a depository receipts framework – Joint Consultation on mixed media approach with regard to prospectus publication by New Applicants – Suitability requirements of company secretaries – reporting back – Service of disciplinary proceedings on former directors
25th October 2007 Regular meeting	– Earlier disclosure of information by IPO applicants-posting of information packs on the HKEx website prior to issue of prospectus (WPiP-posting)
26th November 2007 Policy meeting	– Recognition of overseas markets and other proposals to facilitate issuance of market access products – Overview of responses to Consultation on Periodic Financial Reporting – Acceptance of Mainland China Accounting Standards, Auditing Standards and Audit Firms – Establishment of depository receipts regime – progress report – Report on responses to the Consultation Paper on GEM – Draft Combined Consultation Paper – Proposal to Allow Price Sensitive Information to be Published During Trading Hours – Public float requirements: the level of public float and the constituents of “public” – Discussion paper on the definition of “reverse takeover” under Main Board Rule 14.06(6) – Directors’ Training
6th December 2007 Regular meeting	– Draft Combined Consultation Paper, section on public float – Proposed amendments to the Listing Rules arising from proposals to allow price sensitive information to be published during the morning and lunchtime publication windows

Policy agenda for 2008

86. As a way to enhance the transparency of the Exchange's policy agenda, we highlight below those matters we currently plan to consider during 2008:-

- Consultation Conclusions on Periodic Financial Reporting Consultation Paper;
- Consultation Conclusions on 2008 Combined Consultation Paper;
- Consultation Conclusions on GEM Review and implementation of rule amendments;
- Review of the Code on Corporate Governance and related governance practices;
- Review of Delisting Procedures;
- Overseas Issuers: Introduction of a Depository Receipts regime;
- Codification of the WPIP requirements.

Conclusion

87. It has been another busy year for the Committee, its members and the Listing Division. I should like to take this opportunity to thank my two deputy chairmen and fellow Committee members for their continued support during the past year. Thanks are also due to the Committee Secretariat in the Listing Division for their administrative assistance and guidance during the year.

88. This report was approved for submission to the boards of SEHK and HKEx on 21 February 2008.

Carlson Tong
Chairman

Main Board and GEM Listing Committee Members List

(As at 31 December 2007)

Chairman

TONG Ka Shing, Carlson

Deputy Chairmen

McAFEE William Gage

KO Yuk-yin, Teresa

Ex officio member

CHOW Man Yiu, Paul

Other members (in alphabetical order)

ALLEN Jamie

BEST Roger Thomas

BROWN Melissa

BROWN Stephen James

BUNKER Robert Edward John

CHAN Chun Hung, Vincent

CHEN Yang Chung, Roy

FUNG Shing Kwong

GO Kai Lung, Paul

HUI Chiu Chung, Stephen

HUNT Stephen Burnau

IP Koon Wing, Ernest

KO Po Ming, Alex

LEE Raymond

LONGO Joseph Paul

LOW Chee Keong

NG Kim Guan, Alex

SCHRANTZ Alexander

SOUTAR James Alexander

STANNARD David Peter Robert

TSOI Tong Hoo, Tony

WINTER Richard David

WONG Koon Man, Adrian

WONG Tin Yau, Kelvin