

**MEMORANDUM OF UNDERSTANDING**  
**GOVERNING LISTING MATTERS**

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**and**

**The Stock Exchange of Hong Kong Limited**

## GOVERNING LISTING MATTERS

Between: Securities and Futures Commission (SFC) of  
12<sup>th</sup> Floor, Edinburgh Tower, The Landmark, Central, Hong Kong;

And: The Stock Exchange of Hong Kong Limited (SEHK) of  
1<sup>st</sup> Floor, One and Two Exchange Square, Central, Hong Kong.

### *Background*

1. The Parties

- 1.1 The SFC is the statutory body established under the Securities and Futures Commission Ordinance (Cap. 24) (SFC Ordinance) and will be governed by



market users. The parties have entered into arrangements for SEHK to help defray the SFC's costs in administering the Rules, and a copy of the Deed of Agreement between the SFC and SEHK is set out in Appendix I to this MOU.

3 Status of This Memorandum of Understanding

(a) they have entered into this MOU in good faith and for the purpose of facilitating a cooperative working relationship;

(b) if this MOU should receive such fair, large and liberal

- (d) exercise its powers under sections 50 and 51 of the SFC Ordinance (or sections 92 and 93 of the SFO) and issue a restriction notice or suspension order;
- (e) exercise its powers under section 47 of the SFC Ordinance (or section 25 of the SFO) and request the Chief Executive of the Hong Kong

- (a) market manipulation;
- (b) insider dealing;
- (c) licensing and supervision of intermediaries;
- (d) disclosure of interests in securities;
- (e) activities governed by the Codes on Takeovers and Mergers and Share Repurchases;
- (f) under the Rules, statutory filing of certain corporate disclosure documents; and

provisions and this MOU.

4.2 The SFC discharges its function in supervising and monitoring SEHK, among other ways, through the following means:

- (a) approval (or rejection) of SEHK's proposed amendments to the Listing Rules, any waivers of general effect, and consideration of any novel, potentially controversial, or sensitive matter;
- (b) receipt and consideration of monthly reports from the Listing Division;
- (c) regular contact and meetings with the Listing Division;
- (d) periodic audits or reviews of SEHK's performance in the regulation of listing-related matters; and

- (d) to establish and promulgate rules prescribing listing requirements for the quotation of securities on, and in respect of such other matters as are necessary or desirable for the proper and efficient operation and management of, the stock market;
- (e) to administer the Listing Rules fairly, in accordance with the general principles set out in the respective rules, and having regard to the best interest of each market and Hong Kong's stock market as a whole and in the public interest;
- (f) to ensure that persons administering the Listing Rules are independent, professional, and competent; and
- (g) to establish fair and appropriate procedures governing the manner

- (b) maintain the public database of listed company information, currently open to access via the Internet, containing, so far as is practicable having used all reasonable endeavours an up-to-date record of all



5. High-Level Liaison

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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- 6.7 The SFC shall respond as soon as is reasonably practicable on any matter where SEHK consults it or seeks its advice, comments, guidance, or approval.

*Co-ordination Between the SFC and SEHK on Transactions and Cases*

7. Listing Applications

- 7.1 The statutory filing requirements for listing applications (including supporting documents) under Rule 5 of the Rules are an important element in the effective regulation of corporate information disclosure in Hong Kong. As ~~the Rules provide for SEHK to accept~~

statutory filings on behalf of the SFC. The paragraphs below set out the arrangements for the administration of the Rules so as to most effectively ensure that they do not give rise to additional burden or cost to those who comply with the relevant rules, laws, and regulations or to an unreasonable burden on SEHK.

- 7.2 SEHK acknowledges and agrees that it shall:

- (a) use all reasonable endeavours to obtain the necessary written authorization from listing applicants (including all cases where an ~~application for listing has been made but approval for listing and~~

- (b) a full copy set of the materials relating to the application that the SEHK staff put to the Listing Committee for consideration or decision (i.e., under current practice, the Listing Division's Listing Committee Report and an advance proof of the prospectus); and
- (c) copies of any other materials relating to listing applications as the SFC may request in writing.

and make amendments to improve efficiency as feasible and appropriate.

7.5 The parties further agree that SEHK shall pass to the SFC the materials as set out above:

- (a) in the case of materials under paragraph 7.3(a), as soon as reasonably practicable after SEHK accepts the materials;
- (b) in the case of materials under paragraph 7.3(b), at the same time as the SEHK staff circulate the materials to Listing Committee members; and
- (c) in the case of materials under paragraph 7.3(c), as soon as reasonably practicable upon the later of SEHK receiving the relevant materials or the SFC's request.

7.6 The parties may, subject to their respective statutory and other obligations, at any time discuss formally or informally any issue or exchange any material

- (d) save in exceptional circumstances, if the SFC decides to exercise any of its power and functions under the Rules, it shall do so within SEHK's timetable for processing the listing application so as to avoid any unreasonable delay;
- (e) in particular, if the SFC has any comments on a listing application, it shall, save in exceptional circumstances, pass them in writing to SEHK

applicant and its advisers. SEHK and the SFC shall decide on how to raise the comments and address any responses thereto;

(f) the SFC shall after receiving the materials referred to in paragraph

SFC shall confirm to SEHK that the SFC will not object to such a listing application before or at the time SEHK makes its final decision on the application. Unless the SFC has indicated its objection, SEHK will proceed to complete the listing process and list the securities for trading in accordance with its normal procedures.

5.10 The parties acknowledge that, for the listing of

certain categories of securities, standard disclosure conventions and practice apply. Materials for the related listing applications are, nevertheless, subject to the statutory filing requirements under the Rules. The parties acknowledge that the SFC shall follow the assessment and recommendation of SEHK in confirming its non-objection to the listing of securities in the categories as set out in Appendix V, provided that the listing is not part of any initial public

offer. In exceptional circumstances, the SEC shall

- (c) take reasonable steps to keep and maintain the statutory filings it accepts on behalf of the SFC, and to retain the relevant filings for a period of 6 years so far as necessary for the proper regulation of listing-related matters.

8.5 The parties agree to study the feasibility and desirability of developing a

\_\_\_\_\_ for a shared electronic database

- (e) the SFC and SEHK shall use their best endeavours to inform each other of, and to liaise in relation to, any complaint received or any alleged or suspected misconduct that relate to the other's regulatory functions.

*SFC Oversight of SEHK's Listing Function*

- (a) on or before the 15<sup>th</sup> of each month, an "Activity Report" (in a format as agreed to from time to time) and containing such information as would enable the SFC to understand the activities of SEHK in relation to its responsibilities in all listing-related matters for the preceding month;

- (b) annexed to the Activity Report, the following copy materials relating to the preceding month:

(c) any matters or issues relating to SEHK's regulation of listed companies or SFC's oversight of SEHK in listing-related matters; and

(d) any policy or other matters, including potential changes to the Listing

~~and the respective roles, functions and responsibilities of SEHK or~~

the SFC.

Proper minutes shall be kept of these meetings.

10.4 *Audits.* The parties agree that SFC shall from time to time conduct audits or

~~reviews of the accounts and financial statements of listed companies~~



11.3 The parties further agree that, subject to paragraph 3.3 above, this MOU shall remain in full force and effect unless and until the parties agree in writing to

appendices to the MOU may be revised by an exchange of letters between the Chairman of the SFC and the Chairman of SEHK without amending, restating, or re-signing this MOU.

11.4 Relevant previous agreements between the parties, namely the Amended and Restated Memorandum of Understanding Governing Listing Matters dated 6 March 2000, its Amended and Restated Addendum also dated 6 March 2000, and the two First Supplements dated 21 August 2000, shall have no further effect.

11.5 In respect of any matters already being dealt with by the parties at the date of

DEED OF AGREEMENT

**BETWEEN:**

(1) The Securities and Futures Commission ("SFC") of 12<sup>th</sup> floor, Edinburgh

**“business day”** means a day on which the SEHK is open for business in Hong Kong;

**“Deed”** means this Deed as amended from time to time;

**“Listing Agreement”** means the Listing Agreement required to be entered into between the SEHK and an issuer of securities under the relevant Listing Rules;

**“Listing Rules”** means the Rules Governing the Listing of Securities on the SEHK and the Rules Governing the Listing of Securities on the Growth Enterprise Market of the SEHK;

**“New Requirements”** means the filing requirements under the Rules and described in Recital (A) above;

**“Payment Days”** means the date on which the Rules come into effect and the corresponding date in each successive month during the term of this Deed, and **“Payment Day”** shall be construed accordingly, provided that –

~~(a) if there is no such date in any successive month, the last business~~

day of that month shall be taken as the Payment Day for that month; and

2. **Condition precedent**

2.1. This Deed is conditional upon the Rules being enacted and taking effect in a form that incorporates the New Requirements.

3. **Term and Termination**

3.1. Subject to Clause 2 above and Clause 6.3 below, this Deed shall commence

4. Payment

4.1. The SEHK shall pay the SFC HK\$20 million per year during the term of this

Deed. SFC acknowledges and confirms to the SEHK that such payment is intended and shall be used by the SFC predominantly for the purpose of defraying the SFC's costs of administering the New Requirements.

4.2. Subject to Clause 4.3 below, the said HK\$20 million per year shall be paid in ~~twelve equal monthly instalments~~ and by direct credit to such bank account in

6.3 *Severance:* Should any provision of this Deed be held to be invalid for any reason, such invalidity shall not affect the validity of any other provisions, and this Deed shall be interpreted and construed as if it had been executed without the invalid portion, unless the invalid portion materially adversely affects the purpose or intent of this Deed, in which event this Deed shall be terminated and the parties may negotiate and enter into another valid agreement on the subject matter hereof.

It is understood that the purpose of this section is to transfer any of its rights or obligations

6.8 Amendment: This Deed may not be amended except by agreement in writing and

under seal of both parties.

6.9 No agency: Nothing in this Deed shall be construed as constituting either party an agent of the other.

6.10 Law and jurisdiction: This Deed shall be governed by and construed in accordance with the laws of Hong Kong and each party submits to the exclusive jurisdiction of the Hong Kong courts.

IN WITNESS whereof the parties hereto have caused this Deed to be duly executed.

SEALED with the COMMON SEAL of )  
THE SECURITIES AND FUTURES )  
COMMISSION and SIGNED on )  
its behalf by Andrew Sheng )  
in the presence of - )

*Keith Lui*

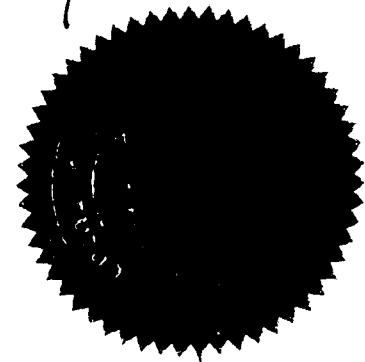
Witness' name: Keith Lui  
Address: 12/F, Edinburgh Tower, The Landmark  
Hong Kong  
Occupation: Commission Secretary

SEALED with the COMMON SEAL of )  
THE STOCK EXCHANGE OF )

HONG KONG LIMITED and SIGNED on )  
its behalf by Kwong Ki Chi )  
in the presence of - )

*[Signature]*

*[Signature]*





MEMBERSHIP OF THE HIGH-LEVEL GROUP

Chairman of HKEx

Chairman of the Listing Committee

Chairman of the GEM Listing Committee

Chairman of the Takeovers Panel

Chairman of the SFC

Executive Director of the Corporate Finance Division, SFC

Chief Executive of HKEx

Member of the Supervision, Regulation, and Risk Management, HKEx

EXEMPTIONS FROM THE STATUTORY FILING

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REQUIREMENTS ON LISTING APPLICATIONS

1. Capitalization issues

Listing of securities issued or allotted by a capitalization issue pro rata (apart from fractional entitlements) to existing shareholders, whether or not they are shareholders whose addresses registered in the books of the corporation are in a place outside Hong Kong and to whom the securities are not actually issued or allotted because of restrictions imposed by legislation of that place;

2. Scrip dividends

Listing of securities issued or allotted pursuant to a scrip dividend scheme which has been approved by the corporation in general meeting;

3. ~~Pre-emptive offers~~

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Listing of securities offered on a pre-emptive basis, pro rata (apart from fractional entitlements) to existing holdings, to holders of the relevant class of shares in the corporation, whether or not they are shareholders whose addresses registered in the books of the corporation are in a place outside Hong Kong and to whom the securities are not actually offered because of restrictions imposed by legislation of that place;

4. Substitutions

Listing of shares issued in substitution for shares listed on a recognized stock market, if the issue of the shares does not involve any increase in the issued share capital of the corporation; and

5. Employee share option schemes

Listing of shares issued or allotted pursuant to the exercise of options granted to existing employees as part of their remuneration under a scheme approved by the shareholders of the corporation in a general meeting.

LISTING OF SECURITIES ARISING FROM CERTAIN TRANSACTIONS

1. Top-up placements

*Listing of shares issued or allotted to an existing shareholder of a corporation*

The table below is almost entirely obscured by heavy black redaction bars. Only a few faint lines and small fragments of text are visible, making the data unreadable.

LISTING OF STRUCTURED PRODUCTS AND DEBT SECURITIES

1. Structured products

Listing of any structured products which provide the holder of that product

Chapter 15A of the Main Board Listing Rules;

2. Convertible equity securities

Listing of any convertible equity securities which are convertible into new securities or outstanding securities of the issuer or a corporation in the same group as the issuer under Chapter 16 of the Main Board Listing Rules or Chapter 22 of the GEM Listing Rules; and

3. Debt securities

Listing of any debt securities, warrants or similar rights to subscribe or



2. Where a CIS which has already been authorised by the SFC pursuant to Section 15 of the Securities Ordinance or Section 104 of the SFO, subsequently applies for a listing of the interests in it on the SEHK, the SEHK agrees to consult with the SFC, prior to granting or refusing to grant such a listing, to confirm that the CIS is still authorised and to discuss any concerns that the SEHK may have regarding the CIS. The SFC agrees that it will issue a letter to the CIS confirming that it has been and still is duly so authorised in order to enable it to comply with Rule 20.15(5) of the Listing Rules.
  
3. Where the SEHK receives an application for listing of interests in a CIS which has not been authorized by the SFC pursuant to Section 15 of the Securities Ordinance or Section 104 of the SFO and which does not intend to obtain such

~~PROPOSED PART IV COVERS AND SHARE PURCHASES~~

1. SEHK will pass its comments on any draft document submitted to it for approval that relates to a matter covered by the Hong Kong Codes on ~~the~~ ~~and~~ ~~Management~~ ~~and~~ ~~Share~~ ~~Purchases~~ directly to the party that

STANDARD FORMS

1. For listing applicants.

[Listing Applicant's Letterhead]

The Head of the Listing Division

The Stock Exchange of Hong Kong Limited

[date of application]

Dear Sirs/Madams,

Application for the Listing of Securities of [name of listing applicant]



2. For listed issuers that have not signed the standard form above.

[Listed Issuer's Letterhead]

The Head of the Listing Division  
The Listing Division  
The Stock Exchange of Hong Kong Limited

[date of application]

Dear Sirs/Madams,

We, [name of listed issuer], are required to file copies of certain announcements, statements, circulars, or other documents made or issued by us or on our behalf to the  
Securities and Futures Commission

[Redacted content]