

# Appendix 12

## Securities (Stock Exchange Listing) Rules

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**SECURITIES (STOCK EXCHANGE LISTING) RULES**

**(Cap. 333, section 14)  
L.N. 379/1989 and L.N. 439/1991)  
1 December 1989 Amended w.e.f. 31 December 1991**

**PART I**

**PRELIMINARY**

**Citation and commencement**

1. These rules may be cited as the Securities (Stock Exchange Listing) Rules.

**Interpretation**

2. In these rules, unless the context otherwise requires -

“applicant” means a company which has made an application under rule 3;

“application” means an application made under rule 3 and all documents in support of the application;

“appointed day” means the appointed day as defined for the purposes of the Stock Exchanges Unification Ordinance (Cap. 361);

“chief executive”, in relation to a company, means a person employed by a company who either alone or together with one or more other persons is or will be responsible under the immediate authority of the board of directors for the conduct of the business of the company;

“company” means a company limited by shares, whether incorporated in Hong Kong or elsewhere;

“debt securities” [Repealed L.N. 439/1991]

“director” —

(a) in relation to a company, includes any person who occupies the position of a director, by whatever name called;

(b) in relation to the Commission, means a director appointed under section 5 of the Securities and Futures Commission Ordinance 1989 (Cap. 24);

“expert” means an expert within the meaning of section 38C of the Companies Ordinance (Cap. 32);

“issuer” means a company or other body whose securities are listed, or proposed to be listed, on the Unified Exchange; [Amended L.N. 439/1991]

“listing agreement” [Repealed L.N. 439/1991]

“subsidiary” means any company which is a subsidiary within the meaning of section 2 of the Companies Ordinance (Cap. 32);

“substantial shareholder”, in relation to a company, means a person entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the company;

“working days” [Repealed L.N. 439/1991]

## PART II

### STOCK EXCHANGE LISTING

#### Requirements in respect of applications for listing

3. An application made by a company to the Exchange Company for the listing of any securities issued or to be issued by that applicant shall comply with the rules and requirements of the Exchange Company (except to the extent that compliance is waived or not required by the Exchange Company) and any provision of law applicable and shall contain such particulars and information which, according to the particular nature of the applicant and the securities for the listing of which application is being made, is necessary to enable an investor to make an informed assessment of the activities, assets and liabilities and financial position, of the applicant at the time of the application and its profits and losses and of the rights attaching to such securities and such application shall also -
- (a) state the name of the applicant;
  - (b) give particulars of the numbers, classes and denominations of the securities which are the subject of the application;
  - (c) give particulars of the proposed manner of issue of the securities, whether by offer for sale, public subscription, private placing, introduction or otherwise;
  - (d) state, in so far as is known, or may be ascertained after reasonable enquiry, by the directors of the company, the name and address of any person who at the time of the application is a substantial shareholder of the company or of another company of which it is a subsidiary, and the extent of his shareholding in the applicant company or that other company;
  - (e) give particulars of the qualifications and experience of the directors and chief executive of the applicant;
  - (f) specify the purpose for which the proceeds (if any) of the issue or sale of the securities to which the application relates, or the portion thereof to be received by the applicant, are intended to be used by the applicant; and
  - (g) specify the qualifications of any person whose opinion as an expert is referred to in any document included in the application.
4. Repealed. [L.N. 439/1991]
5. Repealed. [L.N. 439/1991]
6. Repealed. [L.N. 439/1991]

#### Exemptions from rule 3

7. Nothing in rule 3 shall apply to the listing of any —
- (a) securities on the Unified Exchange upon and after the appointed day, where the securities were listed on any other stock exchange in Hong Kong immediately prior to that day;

- (b) securities issued or allotted by a capitalisation issue pro rata (apart from fractional entitlements) to existing shareholders, other than to overseas shareholders to whom they are not issued or allotted because of restrictions imposed by overseas legislation, or to any existing shareholders pursuant to a scrip dividend scheme which has been approved by the company in general meeting;
- (c) 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 company, other than to overseas shareholders to whom they were not offered because of restrictions imposed by overseas legislation;
- (d) shares issued in substitution for shares listed on the Unified Exchange, if the issue of the shares does not involve any increase in the issued share capital of the company. [Amended L.N. 439/1991]

### **PART III**

#### **SPECIFIED PROVISIONS**

8. Repealed. [L.N. 439/1991]

### **PART IV**

#### **SUPPLEMENTARY**

#### **Suspension of dealings**

9. (1) Where it appears to the Commission that -
- (a) materially false, incomplete or misleading information has been included in any:
    - (i) prospectus, circular, or equivalent document, including an introduction document and a document containing proposals for an arrangement or reconstruction of a company, issued in connection with a listing of securities on the Unified Exchange; or
    - (ii) written announcement, statement or circular issued by or on behalf of an issuer in connection with its affairs;
  - (b) it is necessary or expedient in the interests of maintaining an orderly and fair market on the Unified Exchange in securities traded through the facilities of the Exchange Company;
  - (c) it is in the interest of the investing public or in the public interest, or it is appropriate for the protection of investors generally or for the protection of investors in specified securities listed on the Unified Exchange; or
  - (d) there has been a failure to comply with any condition imposed by the Commission under rule 10(3)(a) relating to the listing of, or dealings in, any securities,

the Commission may, by notice to the Exchange Company, direct the Exchange Company to suspend all dealings in such securities as may be specified in the notice.

- (2) The Exchange Company shall comply forthwith with any notice given under subrule (1). [Replaced L.N. 439/1991]

## Powers of the Commission upon the suspension of dealings in any securities

10. (1) An issuer which is aggrieved by the exercise of the Commission's powers under rule 9 may make representations in writing to the Commission and where an issuer makes such representations, the Commission shall notify the Exchange Company. [Amended L.N. 439/1991]
- (2) The Exchange Company may, in respect of the exercise of the Commission's powers under rule 9, make representations in writing to the Commission irrespective of whether representations in respect of that exercise of powers have been made by an issuer under subrule (1) and where the Exchange Company makes such representations, the Commission shall notify the issuer concerned. [Amended L.N. 439/1991]
- (3) Where the Commission has directed the Exchange Company under rule 9(1) to suspend dealings in any securities, the Commission may by notice to the Exchange Company, after considering any representations made by the issuer under subrule (1) and any representations made by the Exchange Company under subrule (2), and any further representations made by the issuer or Exchange Company -
- (a) permit dealings in the securities to recommence subject to such conditions, if any, as the Commission may think fit to impose, being conditions of the nature specified in subrule (4); or
- (b) direct the Exchange Company to cancel the listing of the securities on the Unified Exchange if the Commission -
- (i) is satisfied that there has been a failure to comply with the requirements for listing set out in these rules or in any other rules made under section 14 of the Ordinance; or
- (ii) considers that such action is necessary to maintain an orderly market in Hong Kong, and the Exchange Company shall comply forthwith with that direction. [Replaced L.N. 439/1991]
- (4) The conditions which may be imposed under subrule (3)(a) shall be -
- (a) where the Commission has exercised its powers under rule 9(1)(a) or (d), conditions imposed with the object of ensuring, so far as is reasonably practicable, that the issuer remedies the default by reason of which the suspension of dealings was directed:
- Provided that the Commission shall forthwith permit such dealings unconditionally if it is of the view that there has been no such default; [Amended L.N. 439/1991]
- (b) where the Commission has exercised its powers under rule 9(1)(b), such conditions as the Commission may consider necessary or expedient in the interests of maintaining an orderly and fair market on the Unified Exchange in securities traded through the facilities of the Exchange Company; [Amended L.N. 439/1991]
- (c) where the Commission has exercised its powers under rule 9(1)(c), such conditions as the Commission may consider to be in the interest of the investing public or in the public interest, or to be appropriate for the protection of investors generally or for the protection of investors in specified securities listed on the Unified Exchange. [Added L.N. 439/1991]

- (5) In subrule (3) “further representations” means representations either in writing or orally or both in writing and orally as the issuer or Exchange Company may determine which are submitted within such reasonable time as the Commission may determine. [Amended L.N. 439/1991]
- (6) The functions of the Commission under this rule shall be exercised by a meeting of the Commission and shall not be delegable.
- (7) A director of the Commission who made the decision in the exercise of the Commission’s powers under rule 9 shall not participate in the deliberations or voting of the Commission in the performance of its functions under this rule as regards that exercise of the Commission’s powers. [Amended L.N. 439/1991]
- (8) Notwithstanding subrule (7), the director referred to in that subrule may attend any meeting or proceeding of the Commission in the performance of its functions under this rule as regards that exercise of the Commission’s powers and may make such explanations of his decision as he thinks necessary.

### **Provisions supplementary to rule 10**

11. (1) At any hearing held by the Commission to receive oral representations made to it under subrule (3) of rule 10 as read with subrule (5) thereof, the issuer and the Exchange Company shall each have the right to be represented by its counsel or solicitor. [Amended L.N. 439/1991]
- (2) Pending the decision of the Commission under rule 10(3) all dealings in the securities concerned shall continue to be suspended unless the Commission, by notice to the Exchange Company, otherwise directs, and any such direction —
  - (a) may permit such dealings subject to such reasonable conditions, if any, as the Commission thinks fit to impose;
  - (b) shall be without prejudice to the exercise by the Commission of its power under rule 10(3); and
  - (c) shall cease to have effect upon the giving of notice of that decision, and the Exchange Company shall comply with the direction. [Amended L.N. 439/1991]

### **Restriction on relisting**

12. No security the listing of which has been cancelled under rule 10 shall be listed again on any Exchange Company except in accordance with Part II.

### **Suspensions, etc. by Exchange Company to be notified to the Commission**

13. (1) Where the Exchange Company intends to suspend dealings in any securities it shall, where reasonably practicable, inform the Commission of its intention prior to such suspension and, if not so practicable, inform the Commission of the suspension as soon as possible after the event.
- (2) The Exchange Company, after having suspended dealings in any securities, shall not permit dealing in them to recommence without first giving notice to the Commission.
- (3) The Exchange Company shall not cancel the listing of any securities unless it gives 48 hours’ notice of the intention so to do to the Commission.

## Waiver of requirements of the rules and the specified provisions

- 14.** (1) The Commission may by notice to an applicant or an issuer, as the case may be, and the Exchange Company modify or waive, subject to such conditions, if any, as the Commission may think fit to impose, being conditions reasonable in the circumstances, the requirements of any provision of these rules where the Commission is of the opinion that:—
- (a) the applicant or issuer, as may be appropriate, cannot comply with the provision or it would be unreasonable or unduly burdensome for it to do so;
  - (b) the provision has no relevance to the circumstances of the applicant or issuer, as may be appropriate; or
  - (c) compliance with the provision would be detrimental to the commercial interests of the applicant or issuer, as may be appropriate, or to the interests of the holders of its securities.
- (2) Repealed. [L.N. 439/1991]

### Notices, etc. to be in writing

- 15.** Any notice or direction under these rules shall be in writing.

#### Note:

The Securities (Stock Exchange Listing) (Amendment) Rules 1991 repealed the provisions of the previous rule 4 (L.N. 379/1989), whereby the Commission could object to a listing on five specified grounds. They also repealed previous rule 5, which provided for certain specified provisions in an issuer's listing agreement. The amendment rules (L.N. 439/1991), also repeal the provisions of previous rules 6, 8 and 9, whereby the Commission could direct the suspension of dealings in securities on specified grounds, and, replaced those rules with a new rule 9 which, replaces those powers with a power for the Commission to direct a suspension of dealings on the grounds that materially false, incomplete or misleading information has been issued, or on the grounds of maintaining an orderly and fair market, on public interest grounds or for failure to comply with conditions imposed by the Commission.