

Guidance

2A.07 Prospective issuers, and in particular new applicants, are encouraged to contact the Listing Division to seek informal and confidential guidance as to the eligibility of a proposed application for listing at the earliest possible opportunity.

Cancellation Procedures

2A.08 The Listing Committee has reserved to itself the power to cancel the listing of a listed issuer. This means that a listed issuer will not have its listing cancelled unless the Listing Committee has considered the matter.

Disciplinary Procedures

2A.09 In addition to its powers to suspend or cancel a listing, if the Listing Committee finds there has been a breach by any of the parties named in rule 2A.10 of the Exchange Listing Rules it may:--

- (1) issue a private reprimand;
- (2) issue a public statement which involves criticism;
- (3) issue a public censure;
- (4) report the offender's conduct to the Commission or another regulatory authority (for example the Financial Secretary, the Commissioner of Banking or any professional body) or to an overseas regulatory authority;
- (5) ban a professional adviser or a named individual employed by a professional adviser from representing a specified party in relation to a stipulated matter or matters coming before the Listing Division or the Listing Committee for a stated period;
- (6) require a breach to be rectified or other remedial action to be taken within a stipulated period including, if appropriate, the appointment of an independent adviser to minority shareholders;
- (7) in the case of wilful or persistent failure by a director of a listed issuer to discharge his responsibilities under the Exchange Listing Rules, state publicly that in the Exchange's opinion the retention of office by the director is prejudicial to the interests of investors;
- (8) in the event a director remains in office following a public statement pursuant to (7) above, suspend or cancel the listing of the issuer's securities or any class of its securities;

- (9) in the case of wilful or persistent failure by a listed issuer to discharge its responsibilities under the Exchange Listing Rules, order that the facilities of the market be denied for a specified period to that issuer and prohibit dealers and financial advisers from acting or continuing to act for that issuer;
- (10) take, or refrain from taking, such other action as it thinks fit, including making public any action taken pursuant to paragraphs (4), (5), (6), (8) or (9) above.

2A.10 The sanctions in rule 2A.09 may be imposed or issued against any of the following:

- (a) a listed issuer or any of its subsidiaries;
- (b) any director of a listed issuer or any of its subsidiaries or any alternate of such director;
- (c) any member of the senior management of a listed issuer or any of its subsidiaries;
- (d) any substantial shareholder of a listed issuer;
- (e) any professional adviser of a listed issuer or any of its subsidiaries;
- (f) any sponsor of a listed issuer or a new applicant;
- (g) any authorised representative of a listed issuer;
- (h) any supervisor of a PRC issuer.

For the purposes of this rule "professional adviser" includes any financial adviser, lawyer, accountant, property valuer or any other person retained by an issuer to provide professional advice in relation to a matter governed by the Exchange Listing Rules.

Notes: (1) The scope of any disciplinary action taken, in particular any ban imposed on a professional adviser pursuant to rule 2A.09(5), shall be limited to matters governed by or arising out of the Exchange Listing Rules.

(2) In exercising its powers of sanction the Exchange will recognise the differing roles and levels of responsibility of the persons against whom sanctions may lie in pursuance of rule 2A.10. In particular, professional advisers' obligations to use all reasonable efforts to ensure that their clients understand and are advised as to the scope of the Exchange Listing Rules are subject to any relevant requirements of professional conduct, as policed and enforced by any professional body of which that adviser is a member.