

CB(1)1848/06-07(01)

Press Room

News Release

HKEx News Release

Updated: 23 March 2007

HKEx Sets Date for the Launch of Electronic Disclosure and the Abolition of Mandatory Paid Announcements

Hong Kong Exchanges and Clearing Limited (HKEx) will abolish the Main Board requirement for paid announcements on Monday 25 June this year when it launches the new regime for electronic dissemination of regulatory information (the Electronic Disclosure Project).

Under Phase 1 of the Electronic Disclosure Project, a paid announcement in newspapers will be optional so long as the Main Board listed issuer publishes the full announcement on its own website, in addition to the HKEx website. For a six month transitional period a Main Board listed issuer will be required to publish a notification in newspapers whenever it publishes an announcement on the HKEx website and its own website[#]. In addition, both Main Board and Growth Enterprise Market (GEM) listed issuers will be required to submit their disclosures to HKEx electronically through the e-submission System (ESS). The only new requirements for GEM issuers following the implementation of the Project are: (1) all documents must be submitted electronically through ESS for publication on the GEM website; and (2) documents must be submitted within the same designated time periods as apply to Main Board issuers.

HKEx first proposed the Electronic Disclosure Project in April 2000. In the intervening period, HKEx has implemented a number of rule changes to make available a wide variety of issuer documents on its websites and it has improved its systems to give investors easier access to the issuer documents. Meanwhile, it has maintained a requirement under the Listing Rules for Main Board listed issuers to publish their announcements in newspapers by way of paid advertisements.

In July 2006, HKEx published the Exposure Conclusion on "[Abolition of Requirement for Main Board Issuers to Publish Paid Announcements in Newspapers and Related Matters](#)" which set out details of the proposed new regime in its final form. Implementation of the new dissemination regime was dependent on a number of operational initiatives and market preparations. Since then, HKEx has completed all the major changes and enhancements to the infrastructure and internal procedures necessary for the implementation of the Electronic Disclosure Project. In addition, it has conducted a series of market readiness programmes. Preparations are well advanced and on track for commencement of the new regime on 25 June.

"The Electronic Disclosure Project will bring the issuer information dissemination regime in Hong Kong in line with the regimes in other major international financial centres and provide the foundation for further developments such as real time electronic disclosure during trading hours and the elimination of unnecessary suspensions which currently arise pending publication of announcements in the newspapers. Overall it will strengthen the competitiveness of the Hong Kong securities market and increase its attractiveness to investors," Richard Williams, HKEx's Head of Listing, said.

"The straight-through process for submitting and disseminating issuer documents will also enable faster disclosures by listed issuers on the HKEx website, a central issuer document archive, and allow local and overseas investors to access issuer information in a timelier manner," he added.

Market Readiness Programmes

In order to keep issuers and other market users abreast of the project, HKEx published today a [Communication Paper](#) that sets out the changes faced by various stakeholders following the implementation of the Electronic Disclosure Project. A section has been added to the [HKEx website](#) to provide a range of materials including Frequently Asked Questions on the operational aspects of ESS, the ESS User Manual and other related documents, and the Communication Paper. Relevant Listing Rule amendments and related questions and answers will also be posted at a later date.

Furthermore, HKEx has conducted a series of market readiness programmes to prepare the market for the implementation of the Electronic Disclosure Project. Major efforts have been and will continue to be made to:

Increase investor awareness of the new information dissemination regime and improved public access to issuer documents: these include publishing several articles in HKEx's newsletters to report the project's progress, opening a [Public Viewing Room](#), upgrading the issuer [news alert service](#)* offered by the HKEx website, and promoting the issuer news alert service with Exchange Participants to their clients.

Familiarise issuers with the new regime: these initiatives include registration of issuer users and their agents for ESS, distribution of an ESS e-Learning CD, provision of help desk support, arrangement of 16 briefing sessions in Hong Kong and four other sessions on the Mainland, organisation of familiarisation sessions to allow issuers and their agents hands-on experience with the new system.

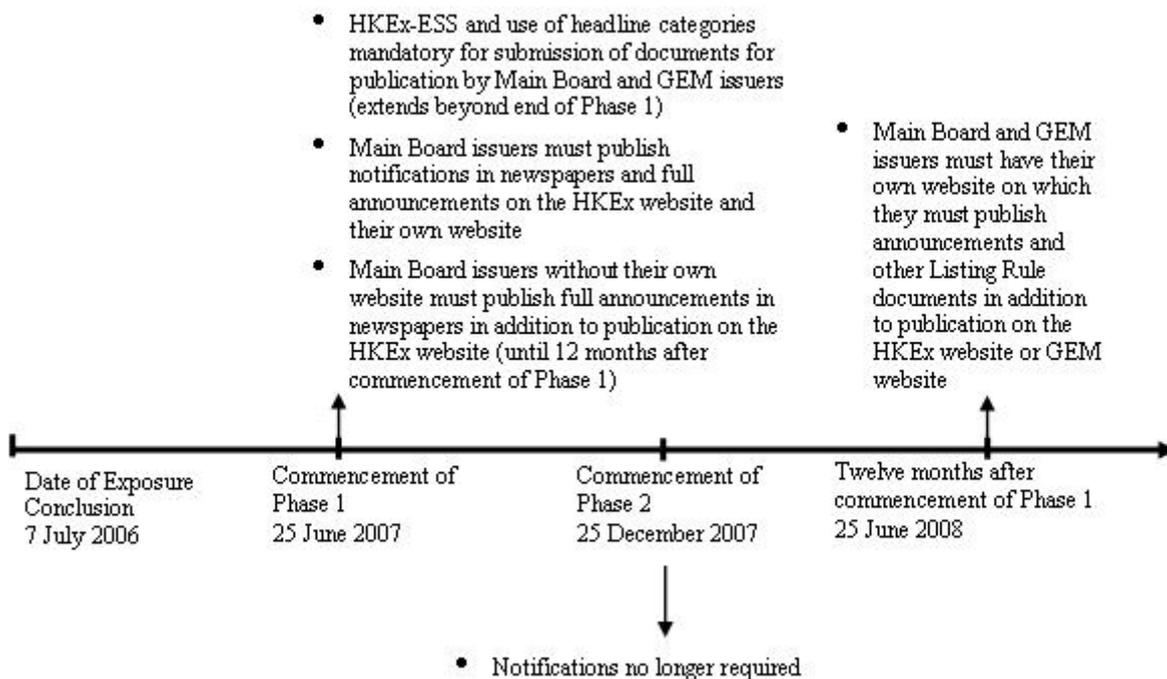
Help Exchange Participants and information vendors access issuer documents: these initiatives include introduction of a new news alert function to the securities trading system AMS/3 and the Market Data Feed, enhancements to the Issuer Information *feed* system and a reduction of its standard fee, apprising Exchange Participants and information vendors of the project's progress through circulars and briefings.

Way Forward

HKEx will implement the Electronic Disclosure Project according to the schedule set out in the Exposure Conclusion published on 7 July 2006. Six months after the implementation of Phase 1 - that is from 25 December 2007 onwards - Main Board issuers will no longer be required to publish notifications in newspapers #.

One year after the commencement of Phase 1 - that is from 25 June 2008 onwards - every issuer must have its own website where the public must be able to access documents free of charge. For the purposes of this requirement, the issuer's website does not need to be hosted on a domain owned or directly operated by the issuer. The issuer's website may be hosted on a third-party domain so long as the website is assigned a dedicated location on the Worldwide Web and the website may be maintained by third-party providers.

The following chart shows the requirements under the new regime:



Notes:

- # In the first 12 months following the commencement of Phase 1, a Main Board issuer without its own website must publish the full announcement in the newspapers as well as on the HKEx website.
- * Investors interested in the latest documents filed with listed issuers can register for a free personalised notification service through the Investor Service Centre on the HKEx website. Starting April 2007, investors who register for the service will receive email and/or mobile phone alerts on announcements by up to 20 companies of their choice (currently the maximum is 10 companies). They will also receive alerts when Disclosure of Interest filings from their selected companies are posted on the HKEx website.