

Updated: 21/02/2014

SEHK publishes amended Listing Rules regarding annual listing fees in relation to the implementation of the New Companies Ordinance

The Stock Exchange of Hong Kong Limited (SEHK or the Exchange), a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited (HKEx), today published amendments to its Listing Rules to set out the method by which its annual listing fees for Hong Kong incorporated issuers will be calculated when Hong Kong's new Companies Ordinance (New Companies Ordinance) comes into effect on 3 March 2014.

SEHK's annual listing fees (Note 1) are currently calculated by reference to the nominal value of an issuer's securities which are or are to be listed on the Exchange. However, the concept of nominal (par) value will be abolished under the New Companies Ordinance, which will affect Hong Kong incorporated issuers (Note 2). As a result, Appendix 8 of the Main Board Listing Rules (Appendix 9 of the Growth Enterprise Market, or GEM, Listing Rules) will be amended to provide that:

- for issuers whose shares cease to have a nominal value subsequent to their date of listing (the No-par Event), the nominal value per share that was used to calculate the annual listing fees immediately before the No-par Event (the Notional Nominal Value Per Share) will be used to calculate the annual listing fees from the No-par Event. If an issuer conducts a subdivision of shares after the No-par Event, the Notional Nominal Value Per Share will be adjusted accordingly for calculation of the annual listing fees following the subdivision, subject to a minimum of \$0.25 (Note 3); and
- for issuers whose shares have no nominal value on their date of listing, the nominal value per share shall be deemed to be \$0.25 for calculation of the annual listing fees. This is in line with the existing Listing Rules (Note 3) and their application to issuers with no nominal value per share or a nominal value per share less than \$0.25.

These Listing Rule amendments will take effect on 3 March 2014, the commencement date of the New Companies Ordinance.

Frequently Asked Questions (FAQs) published today (FAQs relating to the New Companies Ordinance and its impact on issuers (Series 26)) provide further explanation of the operation of the amended Listing Rules on annual listing fees. The FAQs also address the impact of the abolition of nominal (par) value on other areas of the Listing Rules and provide guidance on those Listing Rules that may be affected by other provisions of the New Companies Ordinance. These include provisions relating to:

- disclosure requirements for financial statements;
- loans to directors and connected entities;
- provision of financial assistance by a company;
- common and official company seal;
- general meetings; and
- abolition of the memorandum of association.

As the Listing Rules apply to both Hong Kong and non-Hong Kong incorporated issuers, SEHK conducted a comprehensive review of the impact that the New Companies Ordinance may have on the Listing Rules and identified additional areas which may require further amendments. As noted in the FAQs, SEHK intends to consult the market on amendments to the Listing Rules relating to notice periods for general meetings and disclosure of financial information, and to update cross-references to the existing Companies Ordinance so that they align with the New Companies Ordinance.

The [amendments to the Main Board Listing Rules](#) (and [GEM Listing Rules](#)) can be downloaded from the "Rules & Regulations – Rules and Guidance on Listing Matters – The Rules and Procedures" section of the HKEx website.

The [FAQs](#) can be downloaded from the "Rules & Regulations – Rules and Guidance on Listing Matters – Interpretation and Guidance" section of the HKEx website.

Note 1 This fee is payable in advance in one instalment. See paragraph 2 of Appendix 8 of the Main Board Listing Rules (paragraph 1(2) of Appendix 9 of the GEM Listing Rules).

Note 2 As at 31 December 2013, only 208 issuers listed on the Exchange were incorporated in Hong Kong (about 12.7 per cent of the total number of issuers listed on the Exchange).

Note 3 See paragraph 2(2) of Appendix 8 of the Main Board Listing Rules (paragraph 1(2)(a)(i) of Appendix 9 of the GEM Listing Rules).

Ends