



Hong Kong

November 2015

EXCHANGE PUBLISHES GUIDANCE ON CONTINUING OBLIGATIONS OF ISSUERS AND GUARANTORS OF LISTED DEBT SECURITIES

The Stock Exchange of Hong Kong Limited (the **Exchange**) has published a guidance letter¹ on the continuing obligations of issuers and guarantors of listed debt securities issued only to professional investors under Chapter 37 of the Exchange's Main Board Listing Rules (**Chapter 37**).

The continuing obligations include disclosure obligations, an obligation to submit financial accounts, and the appointment of authorised representatives.

Background

Chapter 37 deals solely with debt issues to professional investors. It sets out the qualifications for listing, application procedures, contents of listing documents and the post-listing obligations.

In accordance with Chapter 37, a professional investor is: (a) a person in Hong Kong defined as a professional investor under Part 1 of Schedule 1 to the Securities and Futures Ordinance (excluding those prescribed under the Securities and Futures (Professional Investor) Rules such as high net worth individuals and companies); or (b) a person outside of Hong Kong to whom securities may be sold in accordance with a relevant exemption from public offer regulations in that jurisdiction.

Disclosure Obligations

Under Chapter 37, issuers and guarantors of debt securities have a continuing obligation to disclose:

- Any information which is necessary to avoid a false market in its listed debt securities where the Exchange would consider there is or is likely to be a false market in its listed debt securities;
- Inside information as required under Part XIVA of the Securities and Futures Ordinance;
- Any information which may have a material effect on the guarantor's ability to meet the obligations under the guaranteed debt securities;
- Any public disclosure made on another stock exchange about the debt securities; and
- Aggregate redemptions or cancellations of debt securities exceeding 10% and every subsequent 5% interval of an issue.

Where the equity securities of the issuer or guarantor are also listed, the relevant parties should assess whether an announcement published in respect of the equity securities has any relevance to the debt securities. Information which impacts debt securities should be published under the debt counter, using debt stock codes, in addition to the equity

¹ The Stock Exchange of Hong Kong Limited. "Guidance on continuing obligations under Chapter 37 of the Listing Rules". 6 November 2015. Available at <https://www.hkex.com.hk/eng/rulesreg/listrules/listletter/Documents/20151106.pdf>.

counter on the HKExnews website. This is also the case for listed professional debt securities under Chapter 30 of the GEM Rules.

Issuers and guarantors are also reminded that suspension or resumption announcements of debt and equity securities should be published under both the debt counter and equity counter on the HKExnews website.

How do you submit documents for publication on HKExnews website?

Announcements and documents related to debt securities should be submitted via the e-Submission System of the Exchange.

- Where equity securities of the issuer and guarantor are also listed on the Exchange, relevant parties should establish a link between the debt counter and the equity counter and input the debt stock code under the “*Stock Code of Related Issuer(s)*” field at the time of publication of the document.
- For other issuers and guarantors, where a designated e-Submission account has already been set up for the debt securities, the debt stock code under the “*Stock Code of Related Issuer(s)*” should be inputted at the time of publication.

Submission of Financial Accounts

The Exchange must be provided with the annual accounts and any interim reports when they are issued.

- Where an issuer is a body corporate, it must provide the Exchange with its annual accounts and any interim reports when issued.
- Where an issuer’s debt securities are guaranteed by a body corporate, the guarantor’s annual accounts and interim report must be submitted to the Exchange.

Issuers and guarantors are encouraged to submit electronic copies of financial accounts or to provide the link of the website to the Exchange if the financial accounts are published on a website. These should be sent by email to debt@hkex.com.hk.

Authorised Representatives

An issuer must appoint two authorised representatives to communicate with the Exchange. The authorised representatives should generally be either two directors or a director and a company secretary of the issuer.

Any changes to authorised representatives or their contact details must be provided to the Exchange in a timely manner by completing the authorised representative form.

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