

SFC/HKEx Joint News Release

Updated: 05/11/2007

Earlier Disclosure of Information by IPO Applicants

The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited (HKEx), and the Securities and Futures Commission (SFC) today published a joint policy statement on a pilot scheme for posting a Web Proof Information Pack, or WPIP, on the HKEx Website prior to the issue of an initial public offering (IPO) prospectus.

The pilot scheme requires new listing applicants, including real estate investment trusts (REITs) and other collective investment schemes (CIS), to post a WPIP on the HKEx Website. In the case of a company, the WPIP should be in the nature of a near-final draft prospectus and in the case of a CIS, a near-final draft offering circular.

The WPIP must be submitted to the Exchange for posting on the HKEx Website before information about the listing applicant is first provided to institutional investors. The rationale for requiring the WPIP posting at an earlier stage in the listing process is to address the apparent inequality of information available to institutional and retail investors in the lead up to IPOs.

Richard Williams, HKEx's Head of Listing, said, "The pilot scheme is intended to help level the playing field for institutional and retail investors in the receipt of information about an applicant prior to the commencement of the public offering. In view of the trend for increased use of electronic means of communication between corporates and their shareholders and potential investors, the SFC and the Exchange consider it appropriate to use the HKEx Website as the platform for dissemination of such information under the name of Web Proof Information Pack."

Brian Ho, the SFC's Executive Director of the Corporate Finance Division, said, "The posting of the Web Proof Information Pack on the HKEx Website is one of the initiatives to be taken forward by the SFC as part of the prospectus regime reform package proposed in 2006, and will bring Hong Kong in line with other leading international jurisdictions. The pilot scheme has been introduced as a means of expediting the implementation of the proposal pending necessary legislative change."

The pilot scheme will commence on 1 January 2008. All applicants whose listing applications are tabled to the Listing Committee for approval on or after 1 January 2008, and in the case of CIS listing applicants (including SFC-authorized REITs), those that receive the SFC's approval-in-principle letter on or after that date, will be required to participate in the pilot scheme.

The SFC and the Exchange will review the operation of the pilot scheme three months after launch and inform the market of their findings. Assuming no major defect is identified in the operation of the pilot scheme, the SFC and the Exchange will formally codify the requirement to post WPIP by amending the Listing Rules.

Applicants and their advisers are encouraged to contact the relevant staff of the Exchange's IPO Transactions Department or, in the case of CIS listing applicants, the relevant staff of the Investment Products Department of the SFC if they envisage any difficulties in complying fully with the requirements described in this Joint Policy Statement.

The [Joint Policy Statement](#) is attached to this news release.

The documents attached or referred to in the Joint Policy Statement are:

[Attachment 1 – Sample Disclaimer Language on the WPIP](#)

[Attachment 2 – Recommended Contents Layout of a WPIP](#)

[Attachment 3 – Logistical Arrangements for Posting a WPIP on the HKEx Website](#)

[Frequently Asked Questions \(Updated: 12 February 2008\)](#)