Charltons - Hong Kong Law Newsletter - 10 March 2008

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# HKEx's Revised Suspension Policy Takes Effect 10 March 2008

From 10 March 2008, trading in a Main Board issuer's listed securities will no longer be suspended if the issuer publishes an announcement containing price sensitive information (**PSI**) between 6.00 a.m. and 9.00 a.m. on a trading day. Previously, a half-day suspension was imposed. No suspension was previously imposed on GEM issuers and this policy will continue.

From 10 March 2008, Main Board and GEM issuers will also be able to publish any type of announcement, including one containing PSI, between 12.30 p.m. and 2.00 p.m. on a trading day. No suspension will be imposed. Previously, issuers could only publish preliminary financial results announcements, suspension announcements and certain announcements not containing PSI between 12.30 p.m. and 2.00 p.m. on a trading day.

The suspension policy changes are summarised in the following table: -

**Previous arrangements**

**Arrangements from 10 March 2008**

 1. Trading in issuer's shares suspended during morning session if Main Board issuer publishes announcement with PSI between 6:00 a.m. and 9:00 a.m. on a trading day.

 1. No trading suspension if Main Board issuer publishes announcement with PSI between 6:00 a.m. and 9:00 a.m. on a trading day.

 2. Issuers (both Main Board and GEM) can only publish preliminary financial results announcements, suspension announcements and certain announcements not containing PSI between 12:30 p.m. and 1:30 p.m. on a trading day.

 2.

Issuers (both Main Board and GEM) can publish any announcement, including PSI, between 12:30 p.m. and 2:00 p.m. on a trading day.

No suspension will be imposed on an issuer's securities if it publishes an announcement during lunchtime.

In addition, the following policies will continue:

1. On a normal trading day, an issuer will continue to be able to publish any announcement between 4:15 p.m. and 11:00 p.m.
2. On a non-business day preceding a trading day, an issuer will continue to be able to publish any announcement between 6:00 p.m. and 8:00 p.m.

The revisions to the suspension policy are intended to allow investors to trade earlier on the information they receive through the Electronic Disclosure Project (**EDP**) implemented in June 2007.

The recently published responses to HKEx's March 2002 Consultation Paper "Proposed Changes to Practices on Dissemination of Listed Issuers' Announcements", which was issued prior to the EDP, indicated that the majority of respondents would like to see publication of listed issuers' announcements during trading hours. HKEx is in favour of further improvements to the timeliness of information dissemination and plans to monitor the impact of the current suspension policy changes before considering further changes. It is likely that HKEx will seek further views from the market on any further proposals to allow the publication of issuers' announcements during trading hours.

## Further Information

1. Details of the new suspension policy will be posted on the [Electronic Disclosure Project section](http://www.hkex.com.hk/edp/index.htm) of HKEx's website under the Suspensions section of the Frequently Asked Questions document.
2. The related amendments to the [Main Board](http://www.hkex.com.hk/rule/mbrule/mb_ruleupdate.htm) and [GEM](http://www.hkex.com.hk/rule/gemrule/gemrule_update.htm) Listing Rules can be found on the Exchange's website.

## Electronic Disclosure Project Update

* Since 25 December 2007, a Main Board listed issuer with its own website no longer needs to publish notifications in newspapers. It needs instead to publish full announcements on its own website and HKEx's website. However, a Main Board issuer without its own website must publish full announcements in newspapers as well as on HKEx's website.
* From 25 June 2008 onwards, the Listing Rules will require every Main Board and GEM issuer to have its own website where the public must be able to access documents free of charge.

The purpose of this note is to provide a summary only of certain Hong Kong regulatory developments. Specific advice should be sought in any particular situation.

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