

## Key Regulatory Updates for Hong Kong Listed Companies — July/August 2024

***The updates include a consultation paper on a new phase of paper listing and a joint announcement on temporary modifications to requirements for specialist technology companies and de-SPAC transactions.***

The key updates in July and August 2024 include the publication of a consultation paper by the Stock Exchange of Hong Kong Limited (the Stock Exchange) on a new phase of paperless listing reforms, which includes proposals to provide an option to hold hybrid general meetings and allow electronic voting, and a consultation paper by the Securities and Futures Commission (SFC) on the abolition of mixed media offers. The Stock Exchange and the SFC have also issued a joint announcement in relation to temporary modifications to requirements for specialist technology companies and de-SPAC transactions. The modifications are designed to address the change in market conditions since the introduction of the listing regime of specialist technology companies and SPAC, and to provide a viable listing pathway for new economy companies.

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### Consultation Papers by the Stock Exchange and SFC

#### 1. The Stock Exchange Published Consultation Paper on a New Phase of Paperless Listing Reforms (August 2024)

The Stock Exchange published a [consultation paper](#) on proposals to further expand the paperless listing regime and other rule amendments (the Consultation Paper). Please see below the key proposals in the Consultation Paper:

- **Electronic Instructions From Securities Holders to Issuers**
  - Proposed to require issuers (to the extent permitted by the laws and regulations applicable to them) to put in place mechanisms that enable securities holders to send the following instructions to issuers electronically:
    - Instructions regarding a meeting of securities holders, including an indication as to attendance at such meeting and proxy-related instructions (Meeting Instructions); and
    - Instructions made in response to actionable corporate communications, save for those made in response to any provisional allotment letter (PAL) in connection with a rights issue (Non-Meeting Instructions, together with Meeting Instructions, the Requested Communications).
  - The proposal does not mandate securities holders to send Requested Communications to issuers by electronic means.
  - Under the proposal, issuers will be required to provide securities holders with an option to send Requested Communications to them electronically, which means that they would be able to send them in hard copy format if they wish to do so.
  - Issuers would be expected to put in place appropriate arrangements to verify the authenticity of Requested Communications; however, the Stock Exchange will not mandate the mechanism that an issuer should use for the purpose of verifying the authenticity.
  - The proposal in respect of Meeting Instructions will only apply to issuers of equity securities and public debt issuers (i.e., issuers of debt securities offered to the public under Chapters 22 to 36 of the Main Board Listing Rules or Chapters 26 to 29 and 31 to 35 of the GEM Listing Rules), and not apply to issuers of structured products or collective investment schemes (CIS) or professional debt issuers (i.e., issuers of debt securities offered to professional investors under Chapter 37 of the Main Board Listing Rules or Chapter 30 of the GEM Listing Rules).
  - The proposal in respect of Non-Meeting Instructions will only apply to issuers of equity securities and issuers of structured products, and not apply to issuers of debt securities (both public debt issuers and professional debt issuers) or CIS.
  - The implementation date for this proposal will be the same date on which the uncertificated securities market (USM) regime is implemented (expected around end of 2025), which will then follow a transitional period of one year for the purpose of this electronic instructions proposal, meaning:
    - Issuers could make necessary amendments to their constitutional documents to enable the implementation of both reforms by seeking securities holders' approval at the same annual general meeting after USM implementation in 2026.
    - Securities registrars may prepare services to implement the Electronic Instructions Proposal in the period from the publication of our consultation conclusions and up to the end of 2026 (i.e., a period of at least two years). This service would then have to be made available to the securities holders of all issuers from the start of 2027, prior to their securities becoming participating securities under the USM regime, if this has not occurred by then.

- **Real-Time Electronic Payment of Corporate Action Proceeds**

- There is no Listing Rule requirement specifying the method that an issuer must use to pay Corporate Action Proceeds (meaning proceeds paid by a listed issuer to holders of securities in connection with its corporate actions, including, but not limited to, the distribution of dividends and other entitlements; refunds in respect of applications for, and/or (where applicable) excess applications in connection with rights issues, open offers, and offers made to a specified group of such holders on a preferential basis; and payments in connection with takeovers and privatisations) to its securities holder.
- Proposed to amend the Listing Rules to require issuers to provide an option for securities holders to receive Corporate Action Proceeds by Clearing House Automated Transfer System (CHATS) by the announced payment date.
- Proposed CHATS be provided as the payment option as CHATS enables real-time settlement of payments in local and foreign currency.
- Issuers must bear any outward charges arising from the payment of Corporate Action Proceeds by CHATS and inform the securities holders in the relevant announcement/corporate communication of the possibility that they may incur inward charges.
- An issuer must inform its securities holders of the payment options available and seek instructions from them on their choice. If a securities holder does not indicate its choice, an issuer has the discretion to choose to pay Corporate Action Proceeds via any of the payment methods previously conveyed to the holder.
- The proposal will only apply to issuers of equity securities and CIS, and not apply to issuers of debt securities and issuer of structured products.
- The implementation date for this proposal will be the same date on which the USM regime is implemented.

- **Electronic Subscription Monies for Offers by Listed Issuers to Existing Securities Holders**

- There is currently no Listing Rule requirement stipulating how subscription monies must be paid to listed issuers for offers made to their existing securities holders (e.g., open offers, rights issues, preferential offers, and bonus issues of securities).
- The Stock Exchange proposed to require listed issuers to provide an option for securities holders to pay subscription monies via electronic means for offers conducted by listed issuers to existing securities holders.
- However, the Stock Exchange will not mandate that securities holders pay subscription monies electronically. Issuers would still be required to accept payments by cheques or cashier order, at the choices of securities holders.
- The Stock Exchange will not prescribe the electronic payment option that issuers must provide for as the individual securities holders should have flexibility to use electronic payment methods that are readily available to the public (e.g., autopay or FPS).

- The listed issuer must inform holders of its securities of detailed arrangements on how they may pay subscription monies (including disclosing the listed issuer’s electronic payment information and the need to pay any charges arising from the electronic payment) and set out such information in the relevant announcement or corporate communication.
  - The proposal will only apply to issuers of equity securities and CIS, and not apply to issuers of debt securities and issuer of structured products.
  - The implementation date for this proposal will be the same date on which the USM regime is implemented.
- **Abolition of MMOs**
    - Proposed to remove the availability of mixed media offers (MMO) for public offers of equity securities, debt securities, and CISs:
      - to remove the option of issuing paper applications forms for a public offer of equity securities, a CIS, and debt securities;
      - to ensure subscriptions for a public offer of equity securities and by a CIS are made through online electronic channels only;
      - whereas subscriptions for public offer of debt securities will continue to be conducted through their well-established channels, including through placing banks and/or HKSCC.
    - The implementation date of this proposal will be no earlier than the date on which the Class Exemption Notice permitting MMOs is repealed following the review by the SFC.
    - The SFC has separately issued a [consultation paper](#) on proposed amendments to the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Cap. 32L) regarding mixed media offers.
- **Hybrid General Meetings and e-Voting**
    - Proposed to require that issuers ensure their constitutional documents enable them to hold hybrid general meetings and allow e-voting, to the extent permitted by applicable laws and regulations. However, the Stock Exchange would not mandate hybrid general meetings or e-voting.
    - Issuers may need to:
      - remove any provision in their constitutional documents that would prevent the holding of hybrid general meetings and the use of e-voting; and/or
      - include express provisions that enable hybrid general meetings and e-voting in their constitutional documents.
    - The proposal will only apply to issuers of equity securities, and not to issuers of structured products, issuers of debt securities, and CIS.

- The Stock Exchange seeks market views on whether issuers should be required to provide securities holders with an option to attend general meetings and e-voting.

- **Web Accessibility of Corporate Communications**

- Web Content Accessibility Guidelines (WCAG) are an international standard for web content accessibility developed by the World Wide Web Consortium, which provides details intended for web developers' users to make web content more accessible to persons with disabilities.
- The Stock Exchange seeks market feedback on whether web accessibility guideline(s) (e.g., WCAG) should be incorporated into, or referred to, in the Listing Rules (including for example, the CG Code) or the Stock Exchange's guidance, such that any corporate communications made available on issuers' website under the Rules should conform with such guideline(s).

The deadline for submitting response to the Consultation Paper is 18 October 2024. For further details, please refer to the [Consultation Paper](#).

## 2. SFC Consults on Proposals to Abolish Mixed Media Offers (August 2024)

The SFC published a [consultation paper](#) on proposed amendments to the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Cap. 32L) regarding Mixed Media Offers (the Consultation Paper) to seek market feedback on proposals to abolish MMO to facilitate a fully electronic process for public offerings and enhance efficiency of the regulatory process in Hong Kong.

The Consultation Paper proposed to amend the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Cap. 32L) (Class Exemption Notice) to remove the exemption permitting MMO (i.e., an offer of any shares in, or debentures of, a company that are listed or to be listed on the Stock Exchange whereby the company is allowed to distribute a printed application form without it being accompanied by a printed form prospectus, provided that specified conditions are complied with, including, but not limited to, making an electronic prospectus available on the required website) under Section 9A of the Class Exemption Notice. Following the removal of the exemption permitting MMOs, an issuer of equity securities or debt securities will no longer be able to issue printed application forms accompanied by electronic prospectuses under the C(WUMP)O. The SFC will also cease granting waivers allowing the use of MMOs for public offerings of CISs.

In July 2021, the Stock Exchange introduced a paperless listing regime, which requires listing documents for new listings to be published in electronic format only and all new listing subscriptions (where applicable) to be made through electronic channels only, except for listing applicants adopting MMO. Since its launch in November 2023, FINI must be adopted for all IPO subscriptions and subscriptions for public offers conducted by listed issuers of equity securities. As FINI does not support printed application forms, issuers that adopt MMO must rely on intermediaries and/or share registrars to manually input orders from printed application forms into FINI or into the registrars' order-taking systems. Since the implementation of the paperless listing regime, MMOs have not been adopted by any issuer.

Other than the proposed amendments to be made to Class Exemption Notice (see Appendix A to the Consultation Paper), the SFC also proposed to amend the Guidelines for Electronic Public Offers to remove references to MMOs (see Appendix B to the Consultation Paper).

For further details, please refer to the [Consultation Paper](#).

## Guidance Materials, Listing Decisions, and FAQs by the Stock Exchange

### 1. Temporary Modifications to Requirements for Specialist Technology Companies and de-SPAC Transactions (August 2024)

The SFC and the Stock Exchange issued a joint announcement in relation to temporary modifications to requirements for specialist technology companies and De-SPAC Transactions. Please see below a summary of the key changes.

#### Specialist Technology Companies: Reduction in Initial Market Capitalisation Thresholds for Listing

- The minimum initial market capitalisation at the time of listing required for the listing of Specialist Technology Companies pursuant to Main Board Listing Rule 18C.03(3) will be reduced:
  - From HK\$6 billion to HK\$4 billion for Commercial Companies
  - From HK\$10 billion to HK\$8 billion for Pre-Commercial Companies
- The modifications will apply temporarily for a fixed period of three years from 1 September 2024 to 31 August 2027 (the Implementation Period).
- The modified initial market capitalisation thresholds will apply to listing applicants under Chapter 18C that meet the following criteria:
  - The expected date of listing is on or after the start of the implementation period (i.e., 1 September 2024); and
  - The relevant listing applications (including all renewals of such applications) are submitted on or before the end of the implementation period (i.e., 31 August 2027).

#### De-SPAC Transactions

- The minimum independent third-party investment required for a de-SPAC transaction will be modified to the lower of: (a) the currently prescribed percentage of the negotiated value of the de-SPAC target as set out in Main Board Listing Rule 18B.41, or (b) HK\$500 million in value.
- The independence test for third-party investors in a de-SPAC transaction pursuant to Main Board Listing Rule 18B.40 will be aligned with that for sophisticated independent investors (SIIs) in Specialist Technology Companies, such that:
  - The independence of a third-party investor will be determined as at the date of the signing of the definitive agreement for the relevant investment in the de-SPAC Transaction, and up to listing of the successor company;
  - The following persons will not be considered as independent third-party investors:
    - Core connected persons of the SPAC or the de-SPAC target, except for any substantial shareholder of the SPAC or the de-SPAC target that is considered a core connected person only because of the size of its shareholding in the SPAC or the de-SPAC target;
    - The controlling shareholder (or any person within the group of persons who are considered as controlling shareholders) of the SPAC or the de-SPAC target;

- The founders of the de-SPAC target and their respective close associates.
- The Stock Exchange retains the discretion to deem any other person to be not independent based on the facts and circumstances of an individual case. For example, a person who has an acting-in-concert agreement or arrangement with a SPAC promoter or with a controlling shareholder of the SPAC or the de-SPAC target or with a founder of the de-SPAC target, normally will not be considered as independent.
- The modifications will apply temporarily during the implementation period.
- The modified independent third-party investment threshold and independence requirements for third-party investors will apply to all de-SPAC transactions that are expected to be announced during the three-year implementation period.

#### **Clarification on the Definition of “Sophisticated Investors” for Independent Third-Party Investment for SPAC**

- The Stock Exchange has amended its guidance to clarify that whether or not an investor is considered as sophisticated will be determined on a case-by-case basis. The Stock Exchange has provided examples for illustrative purposes that the following would be considered sophisticated:
  - An asset management firm with assets under management (AUM) of, or a fund with a fund size of at least HK\$8 billion;
  - A company with a diverse investment portfolio size of at least HK\$8 billion; or
  - A key participant in the relevant upstream or downstream industry of the de-SPAC target, with a meaningful market share and size, as supported by appropriate independent market or operational data.
- The Stock Exchange may consider investors of a type that is not included in the illustrative examples above as sophisticated, on a case-by-case basis, considering the specific circumstances of an applicant. The applicant should demonstrate that these investors have relevant investment experience, knowledge, and expertise.

To reflect the above modifications, please refer to the marked-up changes to the [Guide for New Listing Applicants](#), [the guidance letter HKEX-GL113-22](#), and [the frequently asked questions on SPACs](#).

For further details, please refer to [joint announcement by the SFC and the Stock Exchange](#).

## **Other Reports/Newsletters/Announcements by the Stock Exchange**

### **1. Addition of Abu Dhabi Securities Exchange and Dubai Financial Market as Recognised Stock Exchanges (July 2024)**

The Stock Exchange has added the Abu Dhabi Securities Exchange (ADX) and the Dubai Financial Market (DFM) as Recognised Stock Exchanges (RSEs). This will allow public joint stock companies with a primary listing on the main market of these two exchanges in the United Arab Emirates to apply for a secondary listing in Hong Kong. The addition of ADX and DFM brings the total number of RSEs in the Middle East to three, after Saudi Exchange (Tadawul), which was added in 2023.

For further details, please refer to the [press release](#) by the Stock Exchange and the [list of RSEs](#).

## Disciplinary Actions by the Stock Exchange for Failure to Comply With Disclosure Requirements

### 1. Stock Exchange's Disciplinary Action Against Brilliance China Automotive Holdings Limited and Former Directors (August 2024)

**Key Points to Note:** Directors must take active steps to manage any conflicts, and particular care is required when directors hold positions in both the parent company and a subsidiary. Directors must keep the board informed of material information for good corporate governance and to ensure compliance with requirements under the Listing Rules.

The Stock Exchange censured Brilliance China Automotive Holdings Limited (the Company, together with its subsidiaries, the Group) and imposed:

- A director unsuitability statement and censure against Ms Ma Nina, former executive director (ED) of the Company (Ms Ma) and Mr Yan Bingzhe, former ED of the Company (Mr Yan); and
- A prejudice to investors' interests statement and censure against Mr Sun Baowei, former ED of the Company (Mr Sun).

The director unsuitability statement is a statement that, in the Stock Exchange's opinion, each of Ms Ma and Mr Yan is unsuitable to occupy a position as director or within senior management of the Company or any of its subsidiaries. The prejudice to investors' interests statement is a statement that, in the Stock Exchange's opinion, had Mr Sun remained on the board of directors of the Company (the Board), the retention of office by him would have been prejudicial to the interests of investors.

#### Facts

- Shenyang JinBei Automotive Industry Holdings Co., Ltd. (SJAI), a wholly owned subsidiary of the Company, had provided a number of guarantees (Guarantees) for the benefit of the Company's then controlling shareholder, Huachen Automotive Group Holdings Company Limited (Huachen, together with its subsidiaries, Huachen Group).
- The discovery of the Guarantees led to the Company's delayed publication of its 2020 Annual Results and two independent investigations (Independent Investigations).
- The Independent Investigations revealed further financial assistance provided between 2019 and 2021 by a number of wholly owned subsidiaries of the Company, including SJAI, to and for the benefit of the Huachen Group and other entities as a result of Huachen's influence.
- The total amount of the relevant financial assistance (Financial Assistance) exceeded RMB 53.4 billion.
- The Financial Assistance included guarantees, deposit pledges, and fund transfers, and had no apparent commercial benefit to the Company.
- Ms Ma, Mr Yan, and Mr Sun (the Relevant Directors) held senior positions within Huachen. They were in a clear conflict-of-interest position with regard to their duties owed to the Company and to



Huachen. Each of them was involved in the provision of the Financial Assistance to varying degrees and they did not report the Financial Assistance to the Board.

- As a result of the Financial Assistance, the Company ended up suffering substantial losses.
- The Financial Assistance involved advances to an entity, connected transactions, notifiable transactions, and a very substantial disposal, subject to announcement, circular, (independent) shareholders' approval, and/or annual reporting requirements under Chapters 13, 14, and/or 14A of the Listing Rules. The Company did not comply with any of these requirements in a timely manner.

## Findings of Breach

### *The Company*

- The Company breached Rules 13.13, 14.34, 14.38A, 14.40, 14.41, 14.48, 14.49, 14A.34, 14A.35, 14A.36, 14A.39, 14A.44, 14A.46, and 14A.49 in respect of the Financial Assistance.
- The Company further breached Rules 13.46(2), 13.48(1), 13.49(1), and 13.49(6) by reason of the delay in publishing and dispatching its financial results and reports.

### *The Relevant Directors*

- The conflict of interest is clear given the Relevant Directors' positions and involvement in the Financial Assistance.
- The Relevant Directors failed to discharge their fundamental duties as directors of the Company to avoid or properly manage their conflict of interest, or report the Financial Assistance to the Board.
- The Relevant Directors also failed to procure and ensure the Company's Rule compliance. Their conduct amounted to a wilful and/or persistent failure to discharge their responsibilities under the Listing Rules.
- The Relevant Directors therefore breached their director's duties under Rule 3.08, and their obligations to comply with the Listing Rules to the best of their ability and to use their best endeavours to procure the Company's Rule compliance.

## Conclusion

- The Listing Committee decided to impose the sanctions above.

For further details, please refer to the [statement of disciplinary action](#).

## Disciplinary Actions by the Stock Exchange — Others

### **1. Stock Exchange's Disciplinary Action Against Directors of GSN Corporations Limited (Delisted) and Times Universal Group Holdings Limited (August 2024)**

**Key Points to Note:** Failure to cooperate in the Stock Exchange's investigation is a serious breach of the Listing Rules. A director's obligation to cooperate does not lapse after his or her resignation, or after an issuer ceases to be listed on the Stock Exchange.

The Stock Exchange imposed a director unsuitability statement and censure against Mr Gan Lin (Mr Gan), the executive director (ED) at the time of delisting of GSN Corporations Limited (GSN) and former

executive director of Times Universal Group Holdings Limited (Times Universal) and Ms Li Nian (Ms Li), former ED of GSN. The director unsuitability statement is a statement that, in the Stock Exchange's opinion, Mr Gan is unsuitable to occupy a position as director or within senior management of GSN or Times Universal or any of their subsidiaries, and Ms Li is unsuitable to occupy a position as director or within senior management of GSN or any of its subsidiaries.

### Facts

- As part of an investigation into, amongst other things, whether the director had discharged the duties and obligations under the Listing Rules and GEM Listing Rules (as applicable), the Division sent investigation and reminder letters to Mr Gan and Ms Li, respectively. The Stock Exchange did not receive any response from Mr Gan or Ms Li.

### Findings of Breach

The Listing Committee/the GEM Listing Committee found that:

- Mr Gan and Ms Li breached the Listing Rules and/or the GEM Listing Rules by failing to cooperate with the Division in the investigation.
- The director's obligation to provide information reasonably requested by the Stock Exchange did not lapse after the Company's shares ceased to be listed on the Stock Exchange or after the director ceased to be a director of the Company.
- Their failure to discharge the responsibilities under the Listing Rules and/or the GEM Listing Rules demonstrated a serious breach of the Listing Rules and/or the GEM Listing Rules.

### Conclusion

- The Listing Committee and the GEM Listing Committee decided to impose the sanctions as set out in the above.

For further details, please refer to the [statement of disciplinary action against Mr Gan](#) and [Ms Li](#).

## 2. Stock Exchange's Disciplinary Action Against a Former Director of China Ruifeng Renewable Energy Holdings Limited (July 2024)

**Key Points to Note:** Failure to cooperate in the Stock Exchange's investigation is a serious breach of the Listing Rules. A director's obligation to cooperate does not lapse after his or her resignation.

The Stock Exchange imposed a director unsuitability statement and censure against Mr Li Tian Hai, former Executive Director (Director) of China Ruifeng Renewable Energy Holdings Limited (Stock code: 527) (the Company).

### Facts

- As part of an investigation into, amongst other things, whether the Director had discharged the duties and obligations under the Listing Rules, the Division sent investigation and reminder letters to the Director.
- The Stock Exchange did not receive any substantive response from the Director.

## Findings of Breach

- The Director breached the Listing Rules by failing to cooperate with the Division in the investigation.
- The Director's obligation to provide information reasonably requested by the Stock Exchange did not lapse after the director ceased to be a director of the Company.
- The Director's failure to discharge the responsibilities under the Listing Rules demonstrated a serious breach of the Listing Rules.

## Conclusion

- The Listing Committee decided to impose the sanctions set out above.

For further details, please refer to the [statement of disciplinary action](#).

### 3. Stock Exchange's Disciplinary Action Against Wisdom Wealth Resources Investment Holding Group Limited and Its Directors (July 2024)

**Key Points to Note:** Directors must exercise independent judgement in respect of valuations and ensure any reliance on valuations is reasonable. Excessive or unquestioning reliance on a valuation may amount to a failure by directors to exercise due skill, care, and diligence. Directors are expected to cast a critical eye over the valuation, generally understand how the valuation was derived or calculated, and question matters such as assumptions, methodology, and/or comparables adopted by the valuer. They should also consider consulting auditors or obtaining other professional advice.

The Stock Exchange criticised Wisdom Wealth Resources Investment Holding Group Limited (formerly known as Hong Kong Finance Investment Holding Group Limited) (Stock Code: 7) (the Company) and 10 directors of the Company, and further censured two directors of the Company.

## Facts

- This case involved the Company's disclosures in respect of the value of land acquired by the Company. The value varied significantly in the Company's announcements and results within a year of the acquisition.
- On 29 January 2018, the Company published a circular in respect of a very substantial acquisition and connected transaction (the Circular), involving the acquisition by the Company of a target that held five parcels of land in Zhanjiang (the Land).
- The Company engaged Malcolm & Associates Appraisal Limited (Malcolm), a professional valuer, to assess the market value of the land for the purposes of the acquisition.
- Malcolm's valuation was published in the Circular and the land was valued at RMB 1.15 billion (First Valuation).
- In the 2018 interim results, Malcolm stated that the land was valued at RMB 8 billion (Second Valuation).
- During the course of the Company's 2018 audit, Malcolm was engaged to provide a valuation of the land as at 31 December 2018; Malcolm determined the value to be RMB 7 billion.

- The seven-fold increase in the value of the land disclosed in the Company's 2018 interim results had a dramatic effect on the Company's disclosed financial position, contributing to a reported profit of HK\$3 billion in the Company's 2018 interim results, contrasted with its position of reporting a loss or below HK\$100 million profit in its annual results for the three preceding years.

### Findings of Breach

- The relevant directors failed to take sufficient steps to ensure that their reliance on the second valuation was reasonable.
- The relevant directors did not take steps to make any enquiries with Malcolm on the assumptions, methodology, and comparables adopted by Malcolm to justify the substantial increase of the value of the land to RMB 8 billion.
- There was no evidence that the auditor had been consulted or had provided any comfort on the reasonableness of the substantial increase in the value of the land, or that any other professional advice was obtained, prior to the publication of the 2018 interim results.
- The Company breached Rule 2.13(2) in respect of the value of the land disclosed, and/or in respect of the disclosure of the valuation methodology, in the 2018 interim results.
- The relevant directors breached their duties under Rule 3.08 and their director's undertakings to comply with the Listing Rules to the best of their ability and to procure the Company's compliance with Rule 2.13(2).

### Conclusion

- The Stock Exchange decided to impose the above sanctions and further directed each of the relevant directors to attend training.

For further details, please refer to [the statement of disciplinary action \(10 directors\)](#) and the [statement of disciplinary action \(two directors\)](#).

### Conclusion

Issuers and listing applicants should monitor changes and/or modifications to Listing Rules and relevant guidance materials. The proposals set forth in the consultation paper on proposals to further expand the paperless listing regime and other rule amendments may require changes to be made to constitutional documents of listed issuers, issuers should consider such proposals and implement necessary mechanism to ensure compliance with the proposed amendments. New listing applicants who are considering listing on the Stock Exchange should take note of the temporary modifications and consider whether or not it is now eligible for listing under the relevant listing regime as a result of the temporary modifications. For detailed information, stakeholders are encouraged to review the respective consultation papers and guidance materials.

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