

Submitted via Qualtrics

Company/Organisation view

Question 1

Do you agree with the proposal to set the limit on general mandate for issuance of new shares at 20% of the total issued shares of a PRC issuer, instead of 20% of each of domestic shares and H shares?

Yes

Please provide reasons for your views.

The dilution impact of an issuance of domestic shares or H shares is identical to holders of A / domestic / H shares. There is no justification to distinguish the mandate limits amongst these shares.

The Listing Rules will continue to require A+H share issuers to calculate their public float with reference to both A and H shares held by the public, these issuers will need to comply with their public float requirement.

One might be concerned about all 20% of the general mandate being issued in Hong Kong (and potentially being subject to post-issuance lock-ups) reducing the percentage free float on HKEX. However, the absolute number of shares already comprising the free float on HKEX would not be reduced, and therefore this should not give rise to concerns.

Question 2

Do you have a concern that given fund raisings through the issuance of A shares may result in an increase in the number of A shares over H shares, the market size and liquidity of the H share market may reduce relative to the A share market? Do you think there should be other provisions to promote the long term development of the H share market, if so please provide reasons for your views and any suggestions.

No

Please provide reasons for your views and any suggestions.

No concern. The fact that the number of A shares increases relative to the number of H shares does not impact the market size or liquidity of the H share market.

Question 3

Do you agree with the proposal to set the limit on scheme mandate for share schemes at 10% of the total issued shares of a PRC issuer, instead of 10% of each of domestic shares and H shares?

Yes

Please provide reasons for your views.

Same as question 1.

Question 4

Do you agree with the proposal to remove the requirements for directors, officers and supervisors to provide undertakings to the PRC issuers and their shareholders?

Yes

Please provide reasons for your views.

On the basis that shareholders of a PRC issuer may, under the issuer's articles of association, enforce against the directors, supervisors and officers for their breach or non-compliance with the articles of association and seek remedies, there is no clear need for the deemed additional protection offer by the undertakings.

Question 5

Do you agree with the proposal to move the requirements for compliance advisers set out in Rules 19A.05(2) and 19A.06(3) to Chapter 3A?

Yes

Please provide reasons for your views.

The requirements on sponsors and compliance advisers should be aligned among all listing applicants and listed issuers.

Question 6

Do you agree with the proposal to remove Rules 19A.05(3), 19A.05(4), 19A.06(1) and 19A.06(4)?

Yes

Please provide reasons for your views.

Rules 19A.05(3), 19A.05(4), 19A.06(1) and 19A.06(4) (i) require sponsors to be satisfied that a PRC issuer is suitable for listing and its directors understand what is required of them under the Rules and applicable laws; and (ii) impose additional roles on the compliance advisers engaged by a PRC issuer.

There is no clear justification to apply different requirements to PRC issuers in this context.

Question 7

Do you agree with the proposal to remove the requirements relating to online display and physical inspection of documents under Rules 19A.50 and 19A.50A?

Yes

Please provide reasons for your views.

There is no clear justification to apply different requirements to PRC issuers in this context.

Question 8

Do you agree with the proposal to remove the requirements relating to disclosure of material differences between the laws and regulations in the PRC and Hong Kong in listing documents of new applicants that are PRC issuers?

Yes

Please provide reasons for your views.

Each applicant, irrespective of their place of incorporation, should assess and disclose the specific risk factors applicable to it.

There is no clear justification to apply different requirements to PRC issuers in this context.