

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.

Yes, on the basis it is a commercial decision for the PRC issuer to determine the proportion of H shares and domestic shares to be issued under its general mandate. We also note the proposal would align with the requirements applicable to non-PRC issuers that are dual listed on the Exchange and an overseas Exchange.

We note that the Exchange proposes to amend Rule 19A.17 to read "Rules 8.19(1), 8.20 and 13.26(1) only apply to H shares of a PRC issuer". As PRC issuers will be allowed to issue A and/or H shares under the same general mandate, and the Exchange has already proposed that Rule 13.26(1) will apply only to H shares of a PRC issuer, we would like to clarify whether Rule 8.19(2) should also only apply to H shares of a PRC issuer (rather than "all further securities of that class issued or proposed to be issued"), and if yes, we invite the Exchange to consider adding a reference to Rule 8.19(2) in Rule 19A.17.

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.

The proportion of H shares to A shares is ultimately a commercial decision for the issuer so long as an open market in the H shares is maintained by the issuer. In that regard, we note that there is no proposal to reduce the minimum public float of H shares of 15% where A shares of the issuer are also listed, and we understand the Exchange will continue to exercise its discretion over any further reduction may be allowed if an open market in the H shares could be maintained, especially for large market capitalization companies. The commercial attraction for issuing A shares over H shares appears to be largely driven by the generally higher valuation for A shares, thus the Exchange may consider means

through which this gap could be reduced - the initiatives on stock connect may help in this regard.

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.

Yes, for the reasons mentioned in question 1 above.

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.

We agree with the rationale of the proposal.

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.

This will reduce the duplication of rules where they apply similarly to PRC and non-PRC issuers and enhance the interpretation and application of the Listing Rules.

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.

We agree as PRC issuers should be treated the same as non-PRC issuers in this regard.

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.

We agree on the basis that the relevant information is available to H shareholders through other means.

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.

We agree with the rationale of the proposal. In line with applicants incorporated in other jurisdictions, PRC applicants should determine what are the risk factors and material information that are applicable to them based on their own circumstances.