

## Part B Consultation Questions

Please indicate your preference by checking the appropriate boxes. Please reply to the questions below on the proposed change discussed in the Consultation Paper downloadable from the HKEX website at:

<http://www.hkex.com.hk/-/media/HKEX-Market/News/Market-Consultations/2016-Present/August-2019-Codification-of-General-Waivers/Consultation-Paper/cp201908.pdf>

Where there is insufficient space provided for your comments, please attach additional pages.

**Capitalised terms have the same meaning as defined in the Consultation Paper unless otherwise stated.**

1. Do you agree with our proposal to codify the existing General Waiver such that bonus or capitalisation issues by a PRC incorporated issuer are exempted from shareholders' approvals in general meetings and separate class meetings?

Yes

No

You may provide reasons for your views.

2. Do you agree with our proposal to codify the existing General Waiver to modify the calculation of consideration ratio for a PRC incorporated issuer whose domestic shares are listed on a PRC exchange?

Yes

No

You may provide reasons for your views.

We agree with the Exchange on codifying the existing General Waiver to modify the calculation of consideration ratio to better reflect the market value of the PRC incorporated issuer whose domestic shares are listed on a PRC exchange. We suggest to further consider whether the same General Waiver should apply to listed companies whose domestic shares are listed on an exchange in a jurisdiction other than Hong Kong and the PRC.

3. Do you agree with our proposal to codify the existing General Waiver to allow the listed issuer's stock code to be displayed prominently in the corporate or shareholder information section of financial reports as described in paragraph 30 of the Consultation Paper?

Yes

No

You may provide reasons for your views.

4. Do you agree with our proposal to codify the R4.04(2)&(4) Conditions as an exception to Main Board Rules 4.04(2) and 4.04(4) regarding the disclosure of financial information of subsidiaries or businesses acquired or to be acquired after trading record period?

Yes

No

You may provide reasons for your views.

5. Do you agree with our proposal to codify the R4.10 Waiver as an exception to Main Board Rule 4.10 regarding the disclosure of financial information of the overseas banking companies?

Yes

No

You may provide reasons for your views.

6. Do you agree with our proposal to codify the R8.21(1) Conditions as an exception to Main Board Rule 8.21(1) regarding the change of financial year period?

Yes

No

You may provide reasons for your views.

7. Do you agree with our proposal to (i) codify the modification provided by the General Waivers into Main Board Rules 13.46 and 13.49(1) subject to the new applicant meeting the Annual Results and Reports Waivers Conditions; (ii) codify similar exception to Main Board Rule 13.48(1) as well as GEM Rules 18.66 and 18.79; (iii) align the conditions for Interim Results Exemption with the Annual Results and Reports Waivers Conditions; and (iv) repeal PN 10 and consolidate the guidance with the relevant Main Board Rules?

Yes

No

You may provide reasons for your views.

Under the current Rules, an Environment, Social and Governance (“ESG”) report may be presented as information in the issuer’s annual report, in a separate report, or on the issuer’s website (i.e. the ESG could be a component of the annual report or as a separate publication). We therefore suggest to also specify clear in the codification with respect to annual reports that the relevant waiver covers the exemption of publishing an ESG reports, given that listing applicants are already required to disclose environmental and social matters in their listing documents per the Exchange’s guidance letter “GL86-16”, to avoid confusion on whether an ESG report is required in similar period shortly after their listings.

8. Do you agree with the proposal to codify the waiver from disclosure of actual consideration of aircrafts to be acquired by listed airline operators, as described in paragraph 58 of the Consultation Paper?

Yes

No

You may provide reasons for your views.



9. Do you agree with the proposal to allow listed issuers to determine SpinCo's Scheme Limit with reference to SpinCo's shares in issue as at the date of SpinCo's listing?

Yes

No

You may provide reasons for your views.

10. Do you agree with the proposal to codify the waiver of the exercise price requirement for issuers dually listed on the Exchange and a PRC exchange as described in paragraph 65 of the Consultation Paper?

Yes

No

You may provide reasons for your views.

11. Do you agree with our proposal to codify the waiver described in paragraph 71 of the Consultation Paper in respect of the experience and qualification of company secretary into the Rules?

Yes

No

You may provide reasons for your views.

We generally agree with the Exchange's view to codify the Rules with a Main Board Rule 3.28 waiver. We consider the spirit of the codification is to enable a listing applicant or a listed issuer to appoint an individual as its company secretary who is considered by the listing applicant or the listed issuer to be familiarised with its business and reliable to handle its business affairs (usually its senior management member) whereas, at the time of the proposed appointment, he/she may not entirely equipped with the relevant qualification or experience as required under the current Rules. While with the assistance from a Qualified Person over a certain Period, he/she could gain the relevant qualification or experience and continue serve his/her role as a qualified company secretary for the listed issuer. Such spirit should apply to all listing applicants and listed issuers no matter where their principal business activities locate.

We therefore propose to slightly revise the codification to only include "(ii) the reasons why the directors consider the individual to be suitable to act as the issuer's company secretary" and "(iii) whether the Proposed Company Secretary will be assisted by a Qualified Person throughout a period of not more than three years, the length of which may depend on factors as discussed in paragraph 70 above" as the factors when consider granting the waiver.

12. Do you agree with the proposals (a) to provide an exemption for Main Board listed issuers that are banking companies or insurance companies from including a working capital statement, subject to appropriate alternative disclosures in their listing documents and transaction circulars if they are able to meet the same conditions as those set out in Main Board Rule 8.21A(2), and (b) to limit Main Board Rule 8.21A(2) so that the exemption applies only to banking companies or insurance companies, subject to alternative disclosures in their listing documents and the conditions as described in paragraph 73 of the Consultation Paper?

Yes

No

You may provide reasons for your views.

The spirit of the codification in the proposal (a) shall be to facilitate the fair and equal treatment applying to companies (no matter they are listing applicants or listed issuers) which are of the same business nature (i.e. “business is entirely or substantially that of the provision of financial services” as currently described under the Rules) and able to fulfill the relevant conditions under Main Board Rule 8.21A(2) (the “Exemption”) together with appropriate alternative disclosures (the “Eligible Companies”).

Given that the current practice allows the Exemption applied to listing applicants that are banking companies or insurance companies, we agree with the Exchange that listed issuers carrying on the same business nature shall also be covered under the Exemption, subject to appropriate alternative disclosures, to achieve the fair and equal treatment.

However, regarding the proposal (b), we consider the Exemption shall continue applying to new applicants whose business is entirely or substantially that of the provision of financial services as currently described under the Rules, rather than simply limit to “banking companies” or “insurance companies”, as the Eligible Companies shall be determined by their respective business nature indeed rather than simply being classified by particular industry sector(s), in order to facilitate the spirit of fair and equal treatment to companies which fulfill the relevant conditions under the Exemption and appropriate alternative disclosures.

13. Do you agree with our proposal to codify the guidance in Guidance Letter HKEX-GL7-09 into the Rules for new applicants’ easy reference?

Yes

No

You may provide reasons for your views.





14. Do you agree with our proposal to codify the guidance in Listing Decision HKEX-LD15-3 into the Rules for new applicants' easy reference?

Yes

No

You may provide reasons for your views.

15. Do you agree to amend Main Board Rule 17.05 to state clearly that the restricted period for grant of share options would cover the trading day after the announcement is made with respect to the inside information?

Yes

No

You may provide reasons for your views.

16. Do you agree with our proposal to codify the guidance in Guidance Letter HKEX-GL16-09 into the Rules for completeness?

Yes

No

You may provide reasons for your views.

17. Do you agree with our proposal to codify the guidance in Guidance Letter HKEX-GL31-12 into a new practice note to the Rules for completeness?

Yes

No

You may provide reasons for your views.

18. Do you agree with our proposal to codify the guidance in Guidance Letter HKEX-GL58-13 into the Rules for new applicants' easy reference?

Yes

No

You may provide reasons for your views.

19. Do you agree with our proposal to codify the guidance in Guidance Letter HKEX-GL60-13 into the Rules for new applicants' easy reference?

Yes

No

You may provide reasons for your views.

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