

26 September 2019

By Fax (2524-0149) and By e-mail

Corporate Communications Department  
Hong Kong Exchanges and Clearing Limited  
8<sup>th</sup> Floor, Two Exchange Square  
8 Connaught Place  
Central  
Hong Kong

Dear Sir or Madam,

**Re: Consultation Paper on Codification of General Waivers and Principles Relating to IPOs and Listed Issuers and Minor Rule Amendments (the Consultation)**

We are most grateful for the opportunity to comment on the Consultation and we would like to provide our views on the following proposals:

1. Waiver – Experience and Qualification of Company Secretary (Rule 3.28)

We do not agree with the Exchange's proposal to codify the waiver in respect of the experience and qualification of a company secretary.

We are of the view that the current case by case specific assessment of the application for waiver from compliance with Rule 3.28 is a sensible and fair process. We recognise that there may be company secretaries (albeit without the necessary qualifications) who possess the relevant experience with companies whose corporate governance standards are, at the same level as, or higher than, those listed on the Hong Kong Stock Exchange. However, there may be others whose experience may not be sufficiently relevant. Therefore, we believe that individual assessment under the existing regime would continue to be appropriate.

It is of paramount importance that the governance standards for Hong Kong listed issuers, in particular, for newly listed entities, are upheld. The company secretary has a vital gatekeeping role to play in corporate governance and to ensure that the international high standards expected of companies listed on the Stock Exchange of Hong Kong will continue to be maintained.

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The company secretary of a Hong Kong listed entity is expected to be well-versed on Hong Kong listing related compliance matters, in particular, those Hong Kong specific Listing Rules, Companies Ordinance and Securities & Futures Ordinance; this is regardless of the listed issuer's principal business activities that may be outside Hong Kong. The knowledge, experience and familiarisation with securities laws and regulations in Hong Kong are prerequisites for a company secretary of a Hong Kong listed issuer especially a newly listed entity.

Under the draft Rule amendment in respect of the proposed codification, a number of conditions are included for the waiver to be granted. These requirements ought to be specifically reviewed and assessed on an individual basis by the Stock Exchange and not by the Directors' own assessment as proposed and we do not think these conditions should be codified into a general waiver.

In summary, we do not agree with the Exchange's proposal to codify the waiver but we urge the Exchange to continue with the existing regime of assessing and granting waivers to listed issuers on a case by case basis.

2. General Waiver - Inclusion of Stock Code in Documents (Rule 13.51A)

We agree with the Exchange's proposal 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. We believe that this would provide greater flexibility to the listed issuer.

Finally, we are most grateful for the opportunity to comment on the Consultation. If you have any questions on our response, please feel free to contact the undersigned on 

Yours faithfully,

