

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.

This is a natural consequence of and consistent with the proposal to abolish the historic position that H shares and domestic shares are different classes of shares.

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.

Yes

Please provide reasons for your views and any suggestions.

We share the concern that an expected consequence of this rule change is that companies undertaking future fund-raising on the A share market may result in significant dilution of the H shareholders and reduced liquidity in the H share market. In order to address this concern, we would submit that the Exchange's proposed Listing Rule 19A.13A, amending Listing Rule 8.08(1)(b), require that H shares in the hands of the public comprise not less than 15% of the issuer's total number of issued shares at all times as a continuing obligation (not merely at the time of listing), in order to maintain an adequate public float and liquidity in the H shares on an ongoing basis.

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.

This is a natural consequence of and consistent with the proposal to abolish the historic position that H shares and domestic shares are different classes of shares.

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.

These undertakings do not provide additional meaningful protections to investors.

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.

We agree the existing rules are superfluous and/or redundant.

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 the existing rules are superfluous and/or redundant.

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?

No

Please provide reasons for your views.

Listing Rule 19A.50A requires a complete duplicate register of shareholders (not merely the branch register of H shareholders) to be available for inspection in Hong Kong. There is no equivalent requirement elsewhere in the Listing Rules - Appendix 3, paragraph 20 refers only to the branch register and not the complete register - and there is no public domain source readily accessible in Hong Kong for investors to access this information. Thus this proposed amendment would materially and adversely impact the information available to investors in Hong Kong.

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.

This disclosure is no longer necessary. In addition, we agree with the proposal to remove the requirements for warning statements and PRC-specific risk factors.

We would further suggest that the Exchange remove paragraph 56 in its entirety, as there is no distinction on this matter between PRC issuers and other issuers.