

THE HONG KONG INSTITUTE OF CHARTERED SECRETARIES
SUBMISSION ON PROPOSED CHANGES TO REQUIREMENTS FOR CIRCULARS AND LISTING DOCUMENTS OF LISTED ISSUERS

A.	Financial information in circular or listing document			
(1)	Accountants' report on the listed group for very substantial disposals (VSD)			
		Yes	No	Reasons for the views
1.	Do you agree with our proposal to remove the current accountants' report requirements for VSD?	X		We agree with the reasons set out in paragraphs 9 and 10 of the Consultation Paper.
2.	If your answer to question 1 is "Yes", do you agree with our proposal to require a VSD circular to disclose financial information described in paragraph 15 of the Consultation Paper?	X		
3.	If your answers to questions 1 and 2 are "Yes", do you agree that the proposed draft Rule amendments in Appendix I to the Consultation Paper will implement our proposal?	X		
(2)	Reporting period of accountants' report in major acquisition or very substantial acquisition circular			
4.	Do you agree with our proposal to remove the requirement in Rule 4.06 that the reporting period of an accountants' report in a major transaction or very substantial acquisition circular must cover the financial year immediately before the circular date?	X		We agree with the reasons set out in paragraph 21 of the Consultation Paper.

5.	If your answer to question 4 is "Yes", do you agree that the proposed draft Rule amendments in Appendix I to the Consultation Paper will implement our proposal?	X		
(3)	Indebtedness statement in a notifiable transaction circular			
6.	Do you consider that the requirement for disclosing an indebtedness statement in a notifiable transaction circular should be retained?		X	We agree with the reasons set out in paragraphs 27 and 28 of the Consultation Paper.
(4)	Working capital statement in a notifiable transaction circular			
7.	Do you agree with our proposal to amend Rule 14.66(10) to clarify that the working capital statement in a notifiable transaction circular must take into account the effect of the proposed transaction?	X		
8.	If your answer to question 7 is "Yes", do you agree that the proposed draft Rule amendments in Appendix I to the Consultation Paper will implement our proposal?	X		
(5)	Reproducing published financial information in circular or listing document			
9.	Do you agree with our proposal to allow issuers to make references in their circulars or listing documents to published documents set out in paragraph 31(3) of Appendix 1B, instead of reproducing the same information?	X		We agree with the reasons set out in paragraph 40 of the Consultation Paper.

10.	If your answer to question 9 is "Yes", do you agree that the proposed draft Rule amendments in Appendix I to the Consultation Paper will implement our proposal?	X		
(6)	Combined financial information of the enlarged group under paragraph 31(3)(b) of Appendix 1B to the Rules			
11.	Do you agree with our proposal to remove the requirement for disclosure of a combined statement from paragraph 31(3)(b) of Appendix 1B to the Rules?	X		
12.	If your answer to question 11 is "Yes", do you agree that the proposed draft Rule amendments in Appendix I to the Consultation Paper will implement our proposal?	X		
B.	Other disclosure requirements for circular or listing document			
(1)	Directors' statement on the accuracy and completeness of information in notifiable or connected transaction circular and listing document			
13.	Do you agree with our proposal to modify the directors' responsibility statement to include a confirmation that the information in the document is accurate and complete in all material respects and not misleading or deceptive?	X		
14.	If your answer to question 13 is "Yes", do you agree that the proposed draft Rule amendments in Appendix I to the Consultation Paper will implement our proposal?	X		

(2)	Information in board minutes for connected transactions			
15.	Do you agree with our proposal to remove the filing requirement for the board minutes approving connected transactions and instead, require issuers to disclose the information contained therein (i.e. whether any directors have a material interest in the transaction and have abstained from voting) in their connected transaction circulars (or if no circular is required under the Rules, their announcements)?	X		We agree with the reasons set out in paragraph 56 of the Consultation Paper.
16.	If your answer to question 15 is "Yes", do you agree that the proposed draft Rule amendments in Appendix I to the Consultation Paper will implement our proposal?	X		
(3)	Circular content requirements for a notifiable transaction involving an acquisition and a disposal			
17.	Do you agree with our proposal that the circular content requirements for each of the acquisition and the disposal under a transaction should be determined by their respective transaction classification?	X		We agree with the reasons set out in paragraph 62 of the Consultation Paper.
18.	If your answer to question 17 is "Yes", do you agree that the proposed draft Rule amendments in Appendix I to the Consultation Paper will implement our proposal?	X		

(4)	Disclosure in listing documents of listed overseas or PRC issuer regarding provisions in constitutional document and regulatory provisions in the relevant jurisdiction			
19.	Do you agree with our proposal to remove the disclosure and document inspection requirements regarding provisions in constitutional documents and regulatory provisions for listing documents for subsequent issue of securities by PRC issuers and overseas issuers (other than in connection with an introduction or a deemed new listing under the Rules)?	X		We agree with the reasons set out in paragraph 69 of the Consultation Paper.
20.	If your answer to question 19 is "Yes", do you agree that the proposed draft	X		
(5)	Additional disclosure requirements for listing documents of PRC issuers			
21.	Do you agree with our proposal to remove the disclosure requirements under paragraphs 45, 46, 48 and 49 of Appendix 1B to the Rules for listing documents for subsequent issue of securities by PRC issuers?	X		We agree with the reasons set out in paragraphs 69 and 74 of the Consultation Paper.
22.	If your answer to question 21 is "Yes", do you agree that the proposed draft Rule amendments in Appendix I to the Consultation Paper will implement our proposal?	X		
C.	Timing for despatch of circulars			
(1)	Timing for despatch of notifiable or connected transaction circulars			
23.	Do you agree with our proposal to remove the 21-day requirement for publication of a notifiable or connected transaction circular (other than information circular) and	X		We agree with the reasons set out in paragraph 81 of the Consultation Paper.

	instead, require disclosure of the expected timing for despatch of circular and the reasons for any delay?			
24.	Do you agree with our proposal to amend the timing requirement for despatch of information circular from 21 calendar days to 15 business days?	X		
25.	If your answers to questions 23 and 24 are "Yes", do you agree that the proposed draft Rule amendment(s) in Appendix I to the Consultation Paper will implement our proposals?	X		
(2)	Timing for despatch of supplementary circulars			
26.	Do you agree with our proposal to amend the timing for despatch of supplementary circulars from 14 calendar days to 10 business days?	X		
27.	If your answer to question 26 is "Yes", do you agree that the proposed draft Rule amendments in Appendix I to the Consultation Paper will implement our proposal?	X		
28.	Are there any other comments you would like to make?		X	