

## Part B Consultation Questions

Please indicate your preference by checking the appropriate boxes. Please make your comments by replying to questions below against proposed changes discussed in the Consultation Paper at the hyperlink:

[http://www.hkex.com.hk/consul/paper/cp200909cr\\_e.pdf](http://www.hkex.com.hk/consul/paper/cp200909cr_e.pdf)

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

### A. Financial information in circular or listing document

#### (1) Accountants' report on the listed group for very substantial disposals (VSD)

1. Do you agree with our proposal to remove the current accountants' report requirements for VSD?

Yes

No

Please provide reasons for your views.

*The Chamber wishes to state we support any changes in the listing rules that make it more cost-effective to comply and expedite the overall process of transactions and reporting without of course compromising the value and quality of the information given to shareholders. In this regard, we are in general support of the proposed changes set out in this consultation paper.*

*For question 1, we agree as this will make it more cost effective and allow for better control of time.*

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?

Yes

No

Please provide reasons for your views.

*Agree. Disclosing financial information of the disposal target is much more cost-effective and would serve the purpose of allowing shareholders to consider on an informed basis.*

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?

Yes

No

If your answer is “No”, please provide reasons and alternative views.

**(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?

Yes

No

Please provide reasons for your views.

*Agree. The removal of the requirement would avoid unnecessary delay in despatching the transaction circular concerned.*

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?

Yes

No

If your answer is “No”, please provide reasons and alternative views.

**(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?

Yes

No

Please provide reasons for your views.

*Indebtedness statement is usually required in the preparation of working capital statement and statement of no material adverse change, so the indebtedness position would have been reflected in those two statements, as well as in the cash flow analysis report already. Hence it would be a duplicate to produce the indebtedness statement and delay the process. To remove this requirement would provide better control of timing of the transaction.*

**(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?

Yes

No

Please provide reasons for your views.

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?

Yes

No

If your answer is “No”, please provide reasons and alternative views.

**(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?

Yes

No

Please provide reasons for your views.

*Agree. The published information is easily accessible on the websites of the issuers and the Stock Exchange.*

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?

Yes

No

If your answer is “No”, please provide reasons and alternative views.

**(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?

Yes

No

Please provide reasons for your views.

*Agree. This would avoid inconsistency.*

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?

Yes

No

If your answer is “No”, please provide reasons and alternative views.

**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?

Yes, BUT see our remarks below

No

Please provide reasons for your views.

*Agree BUT suggest taking out the word “DECEPTIVE”. This is a “criminal” element wording and to include it in Listing Rules is inappropriate, in particular, the determination of alleged breach of Listing Rules is not by open court.*

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?

Yes

No

If your answer is “No”, please provide reasons and alternative views.

*Take out the word "DECEPTIVE"*

**(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)?

Yes

No

Please provide reasons for your views.

*Agree. The new requirement is not burdensome to follow.*

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?

Yes

No

If your answer is "No", please provide reasons and alternative views.

**(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?

Yes

No

Please provide reasons for your views.

*Agree. This would alleviate unnecessary compliance obligations for transaction of minimal amount on a stand-alone basis.*

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?

Yes

No

If your answer is “No”, please provide reasons and alternative views.

**(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)?

Yes

No

Please provide reasons for your views.

*Agree. This would alleviate unnecessary burden and simplify work for circulars relating to scrip dividend and right issues to existing shareholders.*

20. If your answer to question 19 is “Yes”, do you agree that the proposed draft Rule amendments in Appendix I to the Consultation Paper will implement our proposal?

Yes

No

If your answer is “No”, please provide reasons and alternative views.



**(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?



Yes



No. The following disclosure requirement(s) should be retained (*please check the appropriate box(es)*):



Paragraph 45 of Appendix 1B



Paragraph 46 of Appendix 1B



Paragraph 48 of Appendix 1B



Paragraph 49 of Appendix 1B

Please provide reasons for your views.

*Agree. This would alleviate unnecessary burden.*

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?



Yes



No

If your answer is “No”, please provide reasons and alternative views.

## 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 instead, require disclosure of the expected timing for despatch of circular and the reasons for any delay?

Yes

No

Please provide reasons for your views.

*We noted that the present 21-day requirement is hard to keep and applications for waivers are common. However, we are concerned that by allowing the issuer to set its own timeline with reasons will result in undue delay in the despatch of circulars. We see advantages of retaining a specified timeline in the Listing Rules as it is useful to have a date for issuers to work towards and that would encourage them to expedite the process. Alternatively, the issuer shall assess at the outset whether it can comply with the specified timeline under the Listing Rules and if it decides a waiver is needed, it should apply for it and disclose such waiver and the expected despatch date in the initial announcement. This puts the onus on the issuer to keep to a prescribed timetable and would not unnecessarily delay the despatch date of the circular.*

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?

Yes

No

Please provide reasons for your views.

*Agree. This would maintain consistency.*

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?

Yes for Q24

No for Q23

If your answer is “No”, please provide reasons and alternative views.

*Please see Q23*

**(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?

Yes

No

Please provide reasons for your views.

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?

Yes

No

If your answer is “No”, please provide reasons and alternative views.

28. Are there any other comments you would like to make?

Yes

No

If your answer is “Yes”, please elaborate your views.



- End -