

## 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/eng/newsconsul/mktconsul/Documents/cp2013042.pdf>

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

- A) Do you agree with the proposal to rename the definitions of “connected person” and “associate” in Chapter 1 as “restricted connected person” and “close associate”?

☒ Yes

☐ No

If your answer is “No”, please give reasons for your views.

We agree with the proposal to rename the definitions but are of the view that the proposed definitions of “restricted connected person” and “close associate” may connote certain meanings not intended by the Exchange. Accordingly, we urge the Exchange to consider replacing the proposed definitions with other definitions such as “related person” or “related person associate”.

- B) Do you agree with the proposal to align the definitions of connected person and/or associate in each of the Rules described in the table under paragraph 13 of the Consultation Paper with those used in Chapter 14A? If not, please give reasons for your views.

**Overall comment:** We are generally in support with the proposal to align the definitions. However, please note that issuers do face huge compliance burden if the wide-catching definition of connected person in the current Chapter 14A is to be applied to the other Rules which require ongoing monitoring by issuers. For instance, in respect of Rules 13.80 and 13.84, it would be practically difficult for a large issuer to provide an up-to-date complete list of connected persons with their extended associates to an IFA with a tight transaction timetable to enable it to assess its independence and to fulfill its duties under such Rules.

Rule no.	Yes	No	If your answer is “No”, please provide reasons.
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### Transactions

1.	R14.06(b), R14.23B(2)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	R14.92	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
2.	R14.58(3), R14.63(3)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
3.	R5.03, PN12- Para 15	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Rule no	Yes	No	May not answer is No, please provide reasons
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**Issues of securities**

4.	R7.21(2), R7.26A(1)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
5.	NI to R13.36(2)(b), R19A.38	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

**Share option schemes**

6.	R17.03(4)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	R17.04(1), NI to R17.04(3)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	R17.06A, R17.07	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

**Repurchases of securities**

7.	R10.06(1), (2)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
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**Voting at general meeting**

8.	R2.16	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	N2 to R14.33, R14.46, R14.49, R14.55, R14.63(2)(d)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	R13.68	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	PN15 – Para 3(c)(2)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
9.	R6.12, R6.13, R7.19, R7.24, R13.36(4), R14.90, R14.91, Note to R13.39	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
10.	PN4 – Para 4(c)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
11.	R21.04(3)(d)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

**Voting at, and quorum for, board meeting**

12.	R13.44	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	App3 – Para 4(1), NI to App3	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	App14 – Para A.1.7	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	App14 – Para B.1.2(h)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

**Independent non-executive directors (“INEDs”), independent financial advisers (“IFAs”) and sponsor**

13.	R3.13	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
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Rule no.	Yes	No	If your answer is No, please provide reasons
R13.84 (see also item no. 14 below)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The issuer may have the difficulty to compile a complete list of its extended associates given the wide-catching nature. Accordingly, an IFA would be unable to confirm its independence with these extended associates.
R13.80 (see also item no. 14 below)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The issuer may have the difficulty to compile a complete list of its extended associates given the wide-catching nature. Accordingly, an IFA would be unable to confirm the independence of the experts with these extended associates.
R3A.07(3), (6)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
PN21 – Para 14(g)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
14. R13.84	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Please refer to the reason as stated above.
R13.80	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Please refer to the reason as stated above.
15. R3A.05	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

**Disclosures in issuers' documents**

16. R7.16	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
App1A -- Para 28(1)(b)(v), App1E – Para 28(1)(b)(v)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
App1B – Para 26(1)(b)(v), App1F – Para 22(1)(b)(v), App16 – Para 31(5)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
R21.08(12)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

**Depository**

17. R19B.03	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
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**Investment companies**

18. R21.04 (3)(a)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
R21.04 (4)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

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