

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/cp201408.pdf>.

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

Chapter I: Proposed Rule amendments to align the requirements for disclosure of financial information in Main Board Rules Appendix 16 and GEM Rules equivalent with reference to the disclosure provisions in the New Companies Ordinance

1. Do you agree that all issuers (whether or not they are incorporated in Hong Kong) should include disclosures under the provisions of the New Ordinance which reflect alignment of those provisions of the Predecessor Ordinance captured in Main Board Rules Appendix 16 and GEM Rules equivalent as set out in paragraphs 70 to 73 of the Consultation Paper?

Yes

No

Please give reasons for your views.

The disclosure based on the same standards for listed companies incorporated in Hong Kong and overseas can facilitate shareholders and investors to compare these companies on a fair and equal basis.

Chapter II: Proposed Rule amendments to streamline the disclosure requirements of financial information in the Listing Rules with reference to Hong Kong Financial Reporting Standards

2. Do you agree with the proposed revision of Main Board Rules Chapter 4 and Appendix 16 and GEM Rules equivalent in order to streamline the Listing Rules and to avoid potential duplications with the accounting standards?

Yes

No

Please give reasons for your views.

It can facilitate listed companies to focus on the accounting standards for accounting related disclosure and compliance and therefore improve the efficiency and reduce the possibility of any ambiguity between the accounting standards and the Listing Rules.

3. Do you agree with the proposed repeal of the disclosure requirements in relation to financial conglomerates in Main Board Rules Chapter 4 and Appendix 16 and GEM Rules equivalent?

Yes

No

Please give reasons for your views.

Since the original concern regarding off-balance sheet exposure of conglomerates has been adequately addressed by updated HKFRS7 and HKFRS8.

4. Do you agree with the proposed repeal of Main Board Rules Appendix 15 and GEM Rules equivalent in relation to bank reporting?

Yes

No

Please give reasons for your views.

It brings the Listing Rules into line with HKMA's 'Guideline on the Application of the Banking (Disclosure) Rules'.

Chapter III: Other financial information disclosures related proposed Rule amendments

5. Do you agree with the proposed Rule amendments to require an issuer to publish an announcement as soon as practicable after the directors decide to revise the published financial statements and the reason leading to the revision of the financial statements?

Yes

No

Please give reasons for your views.

It can provide updated information to shareholders and investors to access the financial position of listed companies. However, it should clarify whether the announcement is also applicable to the revision of the quarterly reports and summary financial report if issued.

Please consider if the revised documents (no matter in the form of replacement or supplementary note) should be posted on the websites of the Exchange and of the listed companies.

6. Do you agree with the proposed Rule amendment to require disclosure in results announcements where an issuer has made a prior period adjustment to correct a material error?

Yes

No

Please give reasons for your views.

It can highlight to shareholders and investors any changes to the prior period figures so as to facilitate their historical review of the financial position of listed companies.

7. Do you agree with the proposed Rule amendments to Main Board Rules Appendix 16 and GEM Rules equivalent to provide references to disclosure requirements relating to periodic financial reports currently required in other parts of the Listing Rules?

Yes

No

Please give reasons for your views.

It can provide a clearer picture for listed companies to follow the disclosure requirements relating to periodic financial reports required in other parts of the Listing Rules.

Chapter IV: Proposed Rule amendments consequential to the enactment of the New Companies Ordinance

8. Do you agree that the Listing Rules should be amended to align the notice period requirements for companies incorporated in Bermuda and the Cayman Islands with the relevant requirements under the New Ordinance?

Yes

No

Please give reasons for your views.

It will provide the same level playing field for listed companies incorporated in Hong Kong and overseas.

9. Do you support the proposal to allow companies incorporated in Bermuda and the Cayman Islands to convene general meetings on shorter notice on the same terms as companies incorporated in Hong Kong (i.e. in accordance with the relevant provisions of the New Ordinance)?

Yes

No

Please give reasons for your views.

It will provide the same level playing field for listed companies incorporated in Hong Kong and overseas.

Chapter V: Proposed minor Rule amendments

10. Do you agree with the proposal to amend Main Board Rule 13.45(1) and GEM Rules equivalent to require issuers to announce the expected payment dates for their dividends or other distributions as described in paragraph 143 of the Consultation Paper?

Yes

No

Please give reasons for your views.

It can allow shareholders to access whether they would like to hold their shares in listed companies up to the payment date of dividends or other distributions.

However, please consider if there should be a requirement of an announcement to be made if the expected payment date is changed.

11. Do you agree with the proposal to amend Main Board Rule 5.03 and GEM Rules equivalent to clarify that a property valuation is required for the circular of any connected transaction that involves an acquisition or disposal of any property interest or property company?

Yes

No

Please give reasons for your views.

It will make clear to listed companies the disclosure requirement.

12. Do you agree with the proposal to amend Main Board Rules 14.66(8) and 14A.70(15) and GEM Rules equivalent to remove the requirement to disclose information about competing interests of directors of the issuer's subsidiaries and their close associates in transaction circulars?

Yes

No

Please give reasons for your views.

It will make clear to listed companies the disclosure requirement and reduce the administrative burden on listed companies.

13. Do you agree with the proposal to amend the GEM Rules to include a new GEM Rule 17.49A to require trading suspension for issuers that fail to publish their financial results announcements as described in paragraph 153 of the Consultation Paper?

Yes

No

Please give reasons for your views.

It can inform the shareholders and investors of the GEM Board listed companies the reason of trading suspension.

14. The Exchange invites your comments regarding whether the manner in which (i) the proposed Rule amendments consequential to the enactment of the New Ordinance as set out in Chapter IV (see paragraphs 116 to 137 of the Consultation Paper) and (ii) the proposed housekeeping Rule amendments set out in Chapter VI, have been drafted will give rise to any ambiguities or unintended consequences.

15. Do you have any other comments in respect of the matters discussed in the Consultation Paper? If so, please set out your additional comments.

We suggest to amend Rule 10.06(1)(d) from "the issuer must report its outcome of the General Meeting called to consider the proposed purchases to the Exchange immediately following the meeting" to "the issuer must announce the outcome of the General Meeting called to consider the proposed purchases immediately following the meeting" since the outcome will be included in the poll results announcement so there is no need to separately report the outcome to the Exchange.

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