

## 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.

*It is appropriate for all listed issuers in Hong Kong to follow the disclosure requirements as required by the Hong Kong New Companies Ordinance. It makes the annual reports of listed issuers incorporated in different jurisdiction comparable.*

### 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

2014年8月20日  
 香港交易所  
 香港聯合交易所有限公司  
 The Hong Kong Exchanges and Clearing Limited  
 香港交易所有限公司

Please give reasons for your views.

*The proposed revision will streamline the Listing Rules and avoid duplications with the accounting standards. We also identified a couple of areas that the disclosure requirements in Appendix 16 of the Listing Rules and the Hong Kong Financial Reporting Standards (HKFRS) might be overlapping, which can further be streamlined.*

- *paragraph 26(5)(b) of Appendix 16 requires market value of the defined benefit plan assets be disclosed, similar (and extended) requirements are contained in para 142 of HKFRS 19.*
- *paragraph 32(12) of Appendix 16 requires details of contingent liabilities be disclosed, similar requirements are contained in para 86 of HKAS 37*

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.

*The proposed revision will streamline the Listing Rules and avoid duplication with the accounting standards.*

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.

*No comment*

**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.

*Publication of the announcement can provide a timely update to current and potential investors about the issuer's financial statements based on which the current and potential investors may make investment decisions.*

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.

*Such disclosure is not necessary as the same information will be disclosed in the financial statements. The current practice seems to be working well.*

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.

*This will help prevent inadvertent omission of required disclosure in financial reports.*

**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 is fair and reasonable to have all issuers listed in Hong Kong being subject to the same notice period requirement.*

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.

*See reply to Question 8.*

**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.

***Dividend payment date is important information for shareholders and disclosure is therefore appropriate.***

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.

***An independent valuation is useful information to enable shareholders to make an informed assessment and cast a vote in respect of a connected transaction.***

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.

***The information is not relevant to the issuer's shareholder in assessing a notifiable and/or connected transaction.***

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.

*No comment.*

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.

*We are not aware of any ambiguities or unintended consequences on these rule amendments.*

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.

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