

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.

We agreed with the principle of maintaining of a level playing field for all issuers (whether or not they are incorporated in Hong Kong) that they should comply with the new provisions of the Companies Ordinance and subsidiary legislation.

The Consultation Paper and the above question emphasised the proposed amendments to Paragraph 28 of Appendix 16 applicable to "all issuers (whether or not they are incorporated in Hong Kong)". However, the draft amended Paragraph 28 continues to use: "A listed issuer (whether or not it is incorporated in Hong Kong)..." and the definitions of "issuers" and "listed issuers" as mentioned in the Listing Rules are different. Please clarify which term should be used?

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.

We agree with the proposed streamlining to avoid potential duplication or gap in the accounting standards for ease of administration and simplicity.

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.

We agree with the proposal following the proposed change in 2 above.

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.

We agree with the proposal following the proposed change in 2 above.

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.

We agree with the proposed amendment requiring an announcement .

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.

We agree with the proposed amendment which helps to enhance transparency and is consistent with existing accounting standards requiring additional disclosures when prior period adjustment is made.

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.

We agree with the proposed amendments which are useful for preparation of annual report and interim report.

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.

We agree with the proposed amendment which helps to standardise the requirements; and in the spirit of creating a level playing field for all issuers, the changes may be extended to all listed issuers irrespective of jurisdictions.

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.

We agree as it is good to standardise the requirements so as to maintain consistency, and, in the spirit of creating a level playing field for all issuers, that may be extended to companies of other jurisdictions.

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.

We agree as it enhances transparency to investors.

Would however point out that paragraph 140 of the Consultation Paper states that some issuers publish an approximate Payment Date instead of an exact date; and in paragraph 141 of the paper, it states that issuers should disclose the expected Payment Date when they announce the dividend declaration, and update the shareholders if there is any delay in dividend payment. So, is the proposed change suggesting that an "expected exact date" as opposed or an "expected date" which carries some buffer inherently?

In addition, the said paragraph 141 stipulates that issuers should disclose the expected Payment Date when they announce the dividend declaration, and update the shareholders if there is any delay in dividend payment. The proposed amended Listing Rule 13.45 do not include the last sentence of the paragraph 141.

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.

We agree with the proposal for added clarity.

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 removal aligns with the principle of streamlining the disclosure requirements in relation to connected transaction at the subsidiary level.

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.

We agree with the proposal which is in alignment with the Main Board Listing Rules.

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 have not identified any specific ambiguities or unintended consequences at this point, but would keep an eye on any issues that may arise in practice in the future.

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.

NIL

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