

## 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 generally agree with the proposed rule amendments with the exception of section 390 of the new Companies Ordinance which requires a company to include the names of all directors of the issuer and its subsidiaries to the extent those subsidiaries are included in the issuer's consolidated financial statements. The names of the subsidiaries' directors are not relevant to the shareholders' assessment of the issuer's consolidated financial statements but replicating this requirement for listed issuers would impose a significant compliance burden on them.*

### 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 support the proposed revision. This will improve the quality of the disclosure and, by avoiding duplication of, or differences from, accounting standards, make compliance more straightforward.***

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 support the proposed repeal as this will improve the quality of the disclosure and, by avoiding duplication of, or differences from, accounting standards, make compliance more straightforward.***

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 support the proposed repeal as this will improve the quality of the disclosure and, by avoiding duplication of, or differences from, accounting standards, make compliance more straightforward.***

### **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 depends on the materiality of the revision. If the revision is material, it should be disclosed. If it is not material, there is no reason for it to be disclosed.***

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.

***Correction of a material error should be disclosed to the market.***

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 support the proposed rule amendments to provide references to disclosure requirements relating to periodic financial reports in other parts of the Listing Rules which would facilitate issuers' compliance.***

#### **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 support the proposed rule amendments. This will provide a level playing field for listed issuers incorporated in Hong Kong, Bermuda and the Cayman Islands.*

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.

*Same answer to previous question.*

#### **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 support the proposed rule amendments since the expected dividend payment dates are useful information for investors.***

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 support the proposed rule amendments. This is consistent with the spirit of the connected transaction rules.***

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.

***We support the proposed rule amendments as the rules under Chapters 14 and 14A extend the disclosure requirement to directors at the subsidiary level, which is more onerous than Main Board Rule 8.10. Such information is not relevant to the shareholders' assessment of the subject transaction but impose a significant compliance burden on the issuer.***

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 support the proposed rule amendments to set out a requirement similar to the Main Board Rule.***

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 will point them out when we become aware of any drafting issues.***

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.

***No***

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