

## 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 agree with the proposed disclosure but with the following suggestions:*

*Regarding the requirement for a business review in the directors' report to discuss and review, amongst other things, a company's business, principal risks and uncertainties faced, important events and future development; and the requirement that the business review must include the company's environmental policies and performance, compliance with relevant laws and regulations and key relationships with stakeholders, we note that the former contents are typically spelled out in the "Management Discussion and Analysis" section (MD&A) of the annual report already while the latter is likely to be covered in the ESG Report, should the company elect to have one, we therefore recommend that these disclosures need not be repeated in the directors' report to avoid duplication. For fulfilling the new requirement of the Company Ordinance, listed companies should be allowed to include a short statement in the directors' report to refer readers to read those information in the MD&A or ESG Report, as appropriate.*

*If the Exchange agrees to this recommendation, it might consider issuing clarification to listed issuers to this effect.*

**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.

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.

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 to the proposed repeal but with a caveat. While at present all banks listed on the Stock Exchange of Hong Kong are operating entities in Hong Kong and subject to regulation by HKMA, however there might be future cases where overseas banks seek a listing here but do not provide local banking services, henceforth stay outside of the remit of HKMA. If at the same time, there is no governance of the disclosure of these banks under the Listing Rules, a void of regulation might arise.*

*The Exchange might wish to consider the possibility of this situation and come up with a solution, if necessary.*

### 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.

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.

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.

**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.

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.

#### **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.

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.

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.

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.

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 do not have any comment.*

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 do not have other comments.*

- End -