

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.

To maintain a level playing field for all listed issuers irrespective of their places of incorporation.

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.

To align with changes in related 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.

To align with changes in related accounting standards.

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.

Timely disclosure principle.

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.

Timely disclosure principle.

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.

For the same reason as in Q1.

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.

For the same reason as in Q1.

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.

Such information is useful to 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.

A sensible housekeeping change.

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 for the reason set out in paragraph 149 of the Consultation Paper.

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 that the rules of the Main Board and the GEM Board should be aligned in this respect.

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.

1. *P.64, para 32. I think the HKEX should provide guidance on how to present business review in both Directors' report (required by Company Ordinance) and Discussion and Analysis (required by Listing Rules) as there may be duplication between these two areas, and to avoid duplication, whether cross-referencing is acceptable.*
2. *P.82. Definitions of "Income Statement" and "Profit and Loss Account" should not have the same meaning as "Statement of profit or loss and other comprehensive income". For companies which adopt the "two statements" approach to present the "Statement of profit or loss and other comprehensive income", "Income Statement" and "Profit and Loss Account" usually refers to the "Statement of profit or loss" part only but not the part with "other comprehensive income". We suggest to clearly define:
 - a. *"Statement of profit or loss and other comprehensive income" (under the one statement approach); and*
 - b. *"Statement of profit or loss" and "Statement of profit or loss and other comprehensive income" (under the two statements approach)**
3. *P.97. For the same reason as point 2 above, the term "Income statement" should not be simply replaced by "Statement of profit or loss and other comprehensive income". Since for a company adopting the "two statements approach", the items listed will be presented in the "Statement of profit or loss" but not in the "Statement of profit or loss and other comprehensive income".*
4. *P.102, para 27 (2). For the same reason as point 2 above, we suggest to use "profit or loss" instead of "Statement of profit or loss and other comprehensive income" to avoid confusion.*
5. *P.107, para 45 and P.108, para 46. For the same reason as point 2 above, we suggest to clearly mention "Statement of profit or loss and other comprehensive income" (under the one statement approach); and "Statement of profit or loss" and "Statement of profit or loss and other comprehensive income" (under the two statements approach).*
6. *P.154. The proposed definition of "holding company" is unclear. We suggest to use the wording under the predecessor Ordinance as "the holding company of a company shall be read as a reference to a company of which that last-mentioned company is a subsidiary".*

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.

same as the above

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