

Part B Consultation Questions

Please indicate your preference by checking the appropriate boxes. Please reply to the questions below that are raised in the Consultation Paper downloadable from the HKEX website at:

<http://www.hkex.com.hk/-/media/HKEX-Market/News/Market-Consultations/2016-Present/August-2018-Review-Structure-to-LC-Decisions/Consultation-Paper/cp201808.pdf>

Where there is insufficient space provided for your comments, please attach additional pages.

1. Do you agree to revise the current review structure so that decisions of Material Significance made by the Listing Committee will be subject to only one level of review?

Yes

No

Please give reasons for your views.

On balance, a more streamlined review structure is welcomed. Whilst a two-level review structure may afford a new applicant or listed issuer another review opportunity, we believe timeliness and certainty of the review process is more important. In reality, significant corporate decisions are often required to be made quickly. Any unduly complicated and long regulatory or review process is undesirable.

2. Do you agree with:

- (a) the proposal to establish a new independent review committee to replace the LRC and the LD(R)C respectively and to hear reviews currently conducted by them?

Yes

No

Please give reasons for your views.

We support the proposal to establish a new independent review committee comprising entirely experienced and seasoned market participants who are not current Listing Committee members or representatives from the SFC or the Stock Exchange. This helps promote a higher degree of independence as a review body. We also agree that the new review committee can benefit from the diversity of experience of former Listing Committee members.

- (b) the size and composition of the new independent review committee (including the mix of members' representation)?

Yes

No

Please give reasons for your views.

We agree with the direction in general. While choosing from the lists of Investor representatives, lawyers, accountants, corporate finance advisers and Exchange participants makes sense intuitively, we suggest expanding the lists to other professionals with listed company directors and company secretaries being obvious choices.

3. If the Exchange decides to retain two levels of review for decisions of Material Significance made by the Listing Committee, do you agree that the LAC is to be replaced by a review committee with members being drawn from the proposed new independent review committee and chaired by a member of a separate chairperson panel? Are there any additional process or safeguards that you would suggest to enhance this aspect of the review structure for such decisions of Material Significance?

Yes

No

Please give reasons for your views.

See our response to Q1 above - we prefer a one-level review structure. If the two-level review structure is retained, it means that the review committee for the first level of review will remain to be drawn from the same pool of members as the Listing Committee, which is not desirable. We agree that there should be no overlap in membership between each review body and the body whose decisions it will review.

4. Do you agree with the proposal to routinely publish decisions of the new Listing Review Committee for non-disciplinary matters on the basis described in paragraphs 102 to 105 of the Consultation Paper?

Yes

No

Please give reasons for your views.

Publication of the decisions will enhance transparency. It is likely to serve as a useful tool in guiding and educating market participants and their advisors.

5. The Exchange does not consider that specific consultation is required in relation to the provisions for the SFC's power to request review of decisions as set out in Chapter 5 of the Consultation Paper (as they reflect the MOU and administrative procedures) but would be pleased to receive any comments from respondents.

We agree with this Proposal so long as the provisions reflect the MOU and administrative procedures.

- End -