

## 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/-/media/HKEX-Market/News/Market-Consultations/2016-Present/August-2019-Codification-of-General-Waivers/Consultation-Paper/cp201908.pdf>

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

**Capitalised terms have the same meaning as defined in the Consultation Paper unless otherwise stated.**

1. Do you agree with our proposal to codify the existing General Waiver such that bonus or capitalisation issues by a PRC incorporated issuer are exempted from shareholders' approvals in general meetings and separate class meetings?

Yes

No

You may provide reasons for your views.

This is fair as bonus or capitalisation issues do not involve fundraising.

2. Do you agree with our proposal to codify the existing General Waiver to modify the calculation of consideration ratio for a PRC incorporated issuer whose domestic shares are listed on a PRC exchange?

Yes

No

You may provide reasons for your views.

This would better reflect the market value of the PRC incorporated issuer.

3. Do you agree with our proposal to codify the existing General Waiver to allow the listed issuer's stock code to be displayed prominently in the corporate or shareholder information section of financial reports as described in paragraph 30 of the Consultation Paper?

Yes

No

You may provide reasons for your views.

If the listed issuer's stock code is displayed prominently in the corporate or shareholder information section of financial reports, it could serve the purpose of setting out the stock code. It is not necessary to have it displayed on cover page or first page.

4. Do you agree with our proposal to codify the R4.04(2)&(4) Conditions as an exception to Main Board Rules 4.04(2) and 4.04(4) regarding the disclosure of financial information of subsidiaries or businesses acquired or to be acquired after trading record period?

Yes

No

You may provide reasons for your views.

If the acquired business is not material to the group of the new applicant as a whole, codification of the conditions as an exception will reduce the administrative burden for the new applicant to obtain or prepare the financial statement which will be of limited value and use to investors.

5. Do you agree with our proposal to codify the R4.10 Waiver as an exception to Main Board Rule 4.10 regarding the disclosure of financial information of the overseas banking companies?

Yes

No

You may provide reasons for your views.

It is not unreasonable that banking applicants organised outside Hong Kong and already regulated by an overseas regulator with functions comparable to HKMA can be exempted from strict compliance with the Banking Disclosure Guidelines. Agreed with the proposal to codify the waiver conditions in relation to the disclosure of financial information of the overseas banking applicants.

6. Do you agree with our proposal to codify the R8.21(1) Conditions as an exception to Main Board Rule 8.21(1) regarding the change of financial year period?

Yes

No

You may provide reasons for your views.

If the proposed change will not materially affect the presentation of the group's financial statement or result in any omission of material information, the new applicants should not be banned from doing so due to their own internal financial reason.

7. Do you agree with our proposal to (i) codify the modification provided by the General Waivers into Main Board Rules 13.46 and 13.49(1) subject to the new applicant meeting the Annual Results and Reports Waivers Conditions; (ii) codify similar exception to Main Board Rule 13.48(1) as well as GEM Rules 18.66 and 18.79; (iii) align the conditions for Interim Results Exemption with the Annual Results and Reports Waivers Conditions; and (iv) repeal PN 10 and consolidate the guidance with the relevant Main Board Rules?

Yes

No

You may provide reasons for your views.

This could largely reduce administrative burden for the new applicants that had already disclosed the financial information of their Latest Financial Year or the Latest Interim Period in their listing documents to strictly comply with the Publication and Distribution Requirements.

8. Do you agree with the proposal to codify the waiver from disclosure of actual consideration of aircrafts to be acquired by listed airline operators, as described in paragraph 58 of the Consultation Paper?

Yes

No

You may provide reasons for your views.

It is good to include the note for clarity purpose.

9. Do you agree with the proposal to allow listed issuers to determine SpinCo's Scheme Limit with reference to SpinCo's shares in issue as at the date of SpinCo's listing?

Yes

No

You may provide reasons for your views.

This aligns with the policy that the new applicants' scheme limits are based on the applicants' shares in issue as at the date of their listings.

10. Do you agree with the proposal to codify the waiver of the exercise price requirement for issuers dually listed on the Exchange and a PRC exchange as described in paragraph 65 of the Consultation Paper?

Yes

No

You may provide reasons for your views.

It is fair to use A share market price to set the exercise price of A share options in accordance with PRC laws and regulations and this would better reflect the market value of the A Shares.

11. Do you agree with our proposal to codify the waiver described in paragraph 71 of the Consultation Paper in respect of the experience and qualification of company secretary into the Rules?

Yes

No

You may provide reasons for your views.

Agreed to codify the waiver if this is normally granted to a new applicant who has principal business activities primarily outside Hong Kong.

12. Do you agree with the proposals (a) to provide an exemption for Main Board listed issuers that are banking companies or insurance companies from including a working capital statement, subject to appropriate alternative disclosures in their listing documents and transaction circulars if they are able to meet the same conditions as those set out in Main Board Rule 8.21A(2), and (b) to limit Main Board Rule 8.21A(2) so that the exemption applies only to banking companies or insurance companies, subject to alternative disclosures in their listing documents and the conditions as described in paragraph 73 of the Consultation Paper?

Yes

No

You may provide reasons for your views.

Agreed that the exemption from including a working capital statement in the listing documents and transaction circulars can be extended to listed issuers that are banking companies or insurance companies due to the nature of their business.

13. Do you agree with our proposal to codify the guidance in Guidance Letter HKEX-GL7-09 into the Rules for new applicants' easy reference?

Yes

No

You may provide reasons for your views.

Agreed with the proposal given that these administrative procedures have been adopted for many years.

14. Do you agree with our proposal to codify the guidance in Listing Decision HKEX-LD15-3 into the Rules for new applicants' easy reference?

Yes

No

You may provide reasons for your views.

Agreed with the proposal given that the calculation of the listing fees based on the listing decision has been used for many years.

15. Do you agree to amend Main Board Rule 17.05 to state clearly that the restricted period for grant of share options would cover the trading day after the announcement is made with respect to the inside information?

Yes

No

You may provide reasons for your views.

Agreed with the amendment to provide greater clarity.

16. Do you agree with our proposal to codify the guidance in Guidance Letter HKEX-GL16-09 into the Rules for completeness?

Yes

No

You may provide reasons for your views.

Agreed with the proposal for completeness purpose as the guidance letter has been adopted for many years.

17. Do you agree with our proposal to codify the guidance in Guidance Letter HKEX-GL31-12 into a new practice note to the Rules for completeness?

Yes

No

You may provide reasons for your views.

Agreed with the proposal for completeness purpose given that the administrative arrangements as stated in the guidance letter have been adopted for many years.

18. Do you agree with our proposal to codify the guidance in Guidance Letter HKEX-GL58-13 into the Rules for new applicants' easy reference?

Yes

No

You may provide reasons for your views.

Agreed with the proposal given that the requirement set out in guidance letter has been well established for many years. A template of confirmation provided by the Exchange can also reduce the administrative burden for the parties.

19. Do you agree with our proposal to codify the guidance in Guidance Letter HKEX-GL60-13 into the Rules for new applicants' easy reference?

Yes

No

You may provide reasons for your views.

Agreed with the proposal given that the requirement set out in guidance letter has been well established for many years. A template of confirmation provided by the Exchange can also reduce the administrative burden for the parties.

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