

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.

The codification provides a clearer guidance to PRC incorporated issuers.

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.

Codifying the existing General Waiver (FAQ Series 1, No. 49) into the Listing Rules can provide a clearer guidance to PRC incorporated issuers. Furthermore, for a PRC incorporated issuer who has a lower percentage of H shares and its H shares have been trading significantly below its A shares for a considerable period of time, the alternative calculation method of the consideration ratio can 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.

Codifying the existing General Waiver (FAQs Series 2, No. 3) into the Listing Rules can provide a clearer guidance to listed issuers.

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.

Codifying the existing waiver conditions (i.e. R4.04(2)&(4) Conditions in Guidance Letter HKEX-GL32-12) into the Listing Rules can provide a clearer guidance to listed issuers.

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.

Codifying the existing waiver (i.e. R4.10 Waiver in Listing Decision LD94-1) can provide a clearer guidance to overseas banking companies.

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.

Codifying the R8.2(1) Conditions can provide clearer guidance to listing applicants who have legitimate reasons to change the financial year period.

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.

Codifying, aligning and consolidating the existing waiver conditions in relation to annual/interim results and reports requirements from different guidance materials into the Listing Rules can provide clearer guidance. For issuers that have already disclosed the financial information in their listing documents and are listed shortly after the end of its most recent financial year or interim period, the codification can lower their administrative burden.

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.

Agree in principle to codify the existing disclosure waivers of actual consideration for purchases of aircrafts. However, certain proposed alternative disclosure items (such as aircraft's list price, price concession description, comparison with previous purchases) may also be subject to the contractual confidentiality restrictions between the listed issuer and the aircraft manufacturers. Please consider to extend the disclosure waivers to price-related information that are subject to contractual confidentiality restrictions.

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.

The codification of SpinCo's Scheme Limit aligns with the current practice for new listing applicants whose scheme limits are based on the applicants' shares in issue as at the date of its listing, rather than at the date of approval of the scheme.

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.

The codification of the waiver for A-share option scheme's exercise price can provide a clearer guidance for A+H issuers.

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.

The 3-year waiver from strict compliance of Rule 3.28 has been adopted for many years for issuers with principal business activities outside Hong Kong. Codification of the waiver can provide a clearer guidance to new listing applicants.

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.

The codification aligns the current exemptions and their underlying principles for listing applicants and listed issuers that are banking companies or insurance companies.

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.

Codification of the guidance can provide a clearer guidance to new listing applicants.

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.

Codification of the guidance can provide a clearer guidance to new listing applicants.

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.

The amendment may better achieve the original regulatory objective to prevent grantees of share options to gain an unfair advantage with respect to inside information.

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.

Codification of the guidance can provide a clearer guidance to new listing applicants.

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.

Codification of the guidance can provide a clearer guidance to new listing applicants.

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.

Codification of the guidance can provide a clearer guidance to new listing applicants and their advisors.

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.

Codification of the guidance can provide a clearer guidance to new listing applicants and their advisors.

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