

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.

We agree with the reasons set out in paragraphs 21 to 24 of the Consultation Paper.

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.

We agree with the reasons set out in paragraphs 25 to 27 of the Consultation Paper.

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.

We agree with the reasons set out in paragraphs 28 to 31 of the Consultation Paper.

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.

We agree with the reasons set out in paragraphs 33 to 37 of the Consultation Paper.

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.

We agree with the reasons set out in paragraphs 38 to 43 of the Consultation Paper.

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.

We agree with the reasons set out in paragraphs 44 to 47 of the Consultation Paper.

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.

We agree with the reasons set out in paragraphs 48 to 55 of the Consultation Paper.

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.

We agree with the reasons set out in paragraphs 56 to 58 of the Consultation Paper.

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.

We agree with the reasons set out in paragraphs 59 to 61 of the Consultation Paper.

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.

We agree with the reasons set out in paragraphs 62 to 65 of the Consultation Paper.

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.

It is essential that the company secretary of a listed issuer possesses the necessary skill, knowledge and experience to bring professional, informed and specialist corporate governance expertise to the service of the listed issuer, board of directors and shareholders, in particular compliance with the Companies Ordinance, Securities and Futures Ordinance and the Listing Rules in respect of the listing of shares in Hong Kong. Issuers with principal business activities outside Hong Kong and having a board secretary (or a senior management member in that role), who has special knowledge or skills in the local laws and regulations or industry-specific experience or expertise but does not possess the academic or professional qualifications under note 1 to Main Board Rule 3.28, may easily comply with Main Board Rule 3.28 by appointing a joint company secretary who possesses the requisite academic or professional qualifications, as in the case of many H-share issuers. The codification and granting of waiver described in paragraph 71 of the Consultation Paper is therefore not conducive to good corporate governance.

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.

We agree with the reasons set out in paragraphs 72 to 76 of the Consultation Paper.

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.

We agree with the reasons set out in paragraphs 78 to 79 of the Consultation Paper.

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.

We agree with the reasons set out in paragraphs 80 to 81 of the Consultation Paper.

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.

We agree with the reasons set out in paragraphs 82 to 84 of the Consultation Paper.

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.

We agree with the reasons set out in paragraphs 85 to 86 of the Consultation Paper.

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.

We agree with the reasons set out in paragraphs 87 to 88 of the Consultation Paper.

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.

We agree with the reasons set out in paragraphs 89 to 90 of the Consultation Paper.

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.

We agree with the reasons set out in paragraphs 91 to 92 of the Consultation Paper.

- End -