

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

We would object about the proposal because of the following reasons:

1) As HKEx would also agree with a waiver that is to be granted to those issuers whose non-qualified company secretary must be assisted by the Qualified Person throughout the period of not more than 3 years to carry out the duties, that has already represented that a qualified person to perform company secretary duties is crucial to maintain the good corporate governance of a listed company, then what is the point to let go with the issuers to grant them the waiver?

2) If the issuers do have their principal business outside Hong Kong, they may engage the qualified person to be Company Secretary through the recognized professional firms in Hong Kong

like Tricor Services, leading accounting firms or profound legal firms etc. to procure the knowledge, expertise and experience for those important documentation as well as subsequent tedious logistics etc. to keep listed issuers to compliance with the listing rules of HK. With the aid of high efficient of IT system and communication tools, sure the logistics can be resolved at a relative low costs with efficiency.

3) Apart from daily routine of a listed company, good corporate governance is the key important issue that Exchange would like to pursue from all listed issuers, to procure qualified person to perform CS duties within the listed group can secure the proper document and procedurals of listed companies to handle daily routine and transaction in a proper way which can eliminate errors and omission for the deals. By doing so, it is also a big save of time and cost for both the listed co as well as to those of the regulators.

4) To maintain a listed company with high level of good corporate governance with qualified person to carry out the company secretary job role will also be a good practice and to let all listed co to secure a good reputation. In a broader view, to ensure the sustainability and competitiveness of HK market among international markets, high level of corporate governance is a must to protect the investors from unnecessary risks.

5) To insist all listed issuers to have qualified persons to perform the duties not just provide the employment of HK but also the good career path for the young generation, it is a social responsibility of the companies to contribute to society.

6) Much more, professional ethics is the main concern of a listed issuers with the competence perspective for good corporate governance, this can attract global investors to invest on those listed companies in a relative long-term basis and again it would enhance and reinforce the economic development of HK too.

7) As advised by HKEx in the consultation paper, one of the reasons for the captioned amendment is that there were waivers granted to persons who served as company secretary since new issuer application and he/she is treated as having relevant experiences and qualified for being company secretary even though they did not possess the relevant qualifications on the ground of sufficient experiences were gained from the application procedures. However, the applicable chapters in Listing Rules regulating new applications are certainly different from that regulating the continuing listing and daily compliance work. Furthermore, when the size of issuers is growing, they will possibly increasing numbers of deals which would require high level of compliance to Listing Rules. Therefore, it is doubtful that whether the previous skills acquired during application procedure is still applicable to continuing listing.



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.

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.

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.

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.

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.

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.

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.

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.

- End -