

[REDACTED]

From: Elaine Leung [REDACTED]
Sent: Friday, October 9, 2020 7:36 PM
To: response
Subject: Consultation Paper on Review of Listing Rules relating to Disciplinary Powers and Sanctions

WARNING: External email, please exercise caution.

Dear Sirs,

I am writing to express my comments on the Consultation Paper as below:

Company Secretary is playing a supporting role in the board of directors of a company (the "Board"), which is generally providing advice to the Board on corporate governance and compliance matters, and facilitating continuous training to the Board according to the rules and regulations.

However, under the proposed amendment, this supporting and advisory role means that any failure by the Board could potentially lead to secondary disciplinary liability on the part of the company secretary where the applicable test is simply participation in the contravention. Such as an example in the Consultation Paper, the named company secretary will expose to the rise of unwarranted findings of secondary disciplinary liability where a company secretary participated in a contravention of the Listing Rules simply by being involved in the announcement production and authorisation process, but may not have been privy to all of the details of the underlying transaction.

Furthermore, an external company secretary (a services provider) is permitted to act as the company secretary for the Company. For this case, external parties may not involve the issuer's day-to-day operation, and is not being fully known the issuer's affairs, there will be a gap in communication especially price sensitive information. The Consultation Paper seems not covering this issue as well.

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Best regards,
Elaine