

Submitted via Qualtrics

Deacons

Company/Organisation view

Law Firm

Question 1

Do you agree with the Electronic Instructions Proposal as detailed in paragraphs 29 to 45 of the Consultation Paper?

Yes

Please give reasons for your views.

We agree with the rationale for the proposal as set out in paragraph 46 of the Consultation Paper.

We suggest the Exchange to provide further guidance on the arrangements which the Exchange would deem appropriate for the verification of authenticity of electronic instructions from securities holders.

Question 2

Do you agree with the implementation timeline (including the availability of transitional arrangements) for the Electronic Instructions Proposal as set out in paragraphs 47 to 54 of the Consultation Paper?

Yes

Please give reasons for your views.

Question 3

Do you agree with the Real-time Electronic Payment Proposal as detailed in paragraphs 69 to 74 of the Consultation Paper?

Yes

Please give reasons for your views.

We generally agree with the proposal. However, we suggest that Note 2 to the new Rule 2.07E be modified to allow the listed issuer to choose to pay corporate action proceeds by sending paper cheques by post to holders of securities who have not indicated their choice of payment method or have not provided their functional electronic payment information by the deadline specified in the relevant announcement or corporate communications.

Question 4

Do you agree with the Electronic Subscription Monies Proposal as detailed in paragraphs 83 to 89 of the Consultation Paper?

Yes

Please give reasons for your views.

Question 5

Do you agree that MMOs should no longer be available to issuers as set out in paragraph 99 of the Consultation Paper?

Yes

Please give reasons for your views.

Question 6

Do you agree with the Hybrid General Meeting and E-voting Proposal as detailed in paragraphs 129 to 134 of the Consultation Paper?

Yes

Please give reasons for your views.

Question 7

Should issuers be required to provide securities holders with an option to attend general meetings remotely and vote via electronic means (as set out in paragraph 135 of the Consultation Paper)?

No

Please give reasons for your views.

We believe issuers should be allowed to determine the mode of holding general meetings and the voting mechanisms based on their own circumstances while taking into account securities holders' needs.

Question 8

Should web accessibility guideline(s) (e.g. WCAG) be incorporated into, or referred to, in the Listing Rules (for example, the CG Code) or the Exchange's guidance, such that any corporate communications made available on issuers' website under the Rules should conform to such guideline(s), as set out in paragraph 146 of the Consultation Paper?

Yes

Please give reasons for your views.

Question 9

Do you agree with adding a new note to MB Rule 13.46(1) to clarify that the conditions for granting waivers from the publication and distribution requirements of annual results/reports also apply to issuers that are neither overseas issuers nor PRC issuers (see paragraph 151 of the Consultation Paper)?

No

Please give reasons for your views.

The respective requirements under Rule 13.46(1) (applicable to Hong Kong issuers) and Rule 13.46(2) (applicable to overseas issuers or PRC issuers) are similar. Instead of adding a new note to Rule 13.46(1) that is substantially similar to Note 4 to Rule 13.46(2), we suggest that the entire Rule 13.46 be simplified such that Rule 13.46(1) and Rule 13.46(2) are combined with one set of notes to this rule.

Question 10(a)

Do you agree with the following proposed amendments to align requirements:

To amend paragraph 12B of Appendix D2 to the MB Rules (GEM Rule 18.39B) to remove the annual affirmation requirement for independent non-executive director (see paragraph 152 of the Consultation Paper)?

Yes

Please give reasons for your views.

Question 10(b)

Do you agree with the following proposed amendments to align requirements:

Amend MB Rule 9.11(33) (GEM Rule 12.25(2)) to more accurately reflect the documentary requirements for the registration of a prospectus of C(WUMP)O (see paragraph 154 of the Consultation Paper)?

Yes

Please give reasons for your views.

We also suggest that Rules 9.11(33) and 9.22 be further revised to reflect the guidance on the documentary requirements under Chapter 6.6 of the Guide for New Listing Applicants and HKEX Guidance Letter HKEX-GL118-23.

Question 10(c)

Do you agree with the following proposed amendments to align requirements:

To remove GEM Rule 18.50C to align the requirement on the timeframe for submission of annual report with the MB Rules (see paragraph 155 of the Consultation Paper)?

Yes

Please give reasons for your views.

Question 10(d)

Do you agree with the following proposed amendments to align requirements:

To align the market capitalisation information required on Main Board and GEM listing application forms (see paragraph 157 of the Consultation Paper)?

Yes

Please give reasons for your views.

Question 11

Do you agree with the proposal to amend MB Rule 2.07C to cover the types of announcements mentioned in paragraphs 158 and 159 of the Consultation Paper?

Yes

Please give reasons for your views.

Question 12

Do you agree with the proposal to amend MB Rule 37.06 as mentioned in paragraphs 161 to 164 of the Consultation Paper?

Yes

Please give reasons for your views.

We are supportive of the Exchange's proposed amendments to MB Rule 37.06 as mentioned in paragraph 164 of the Consultation Paper as we believe it would help to enhance the competitiveness of Hong Kong's listed debt market. However, we recommend that the interim financial statements to be submitted to the Exchange can be either audited or reviewed financial statements to provide greater flexibility for applicants to meet the eligibility requirement.

We note that based on market practice, where an offering document contains interim financial statements of the issuer/guarantor, it is customary for such financial statements to be unaudited but reviewed (instead of audited), presumably reflecting the general acceptance that companies in general are not required to produce audited interim financial statements to comply with their financial reporting requirements, and reviewed financial statements can generally provide a certain level of assurance to assist investors to make an informed judgement of their investment in the securities. In addition, the obligation for an applicant to produce audited accounts for two years made up to a date that is at most 15 months before the intended date of listing document is generally more restrictive than obligations imposed by competing exchanges, including Chongwa (Macao) Financial Asset Exchange Co., Ltd., the Singapore Stock Exchange, the Luxembourg Stock Exchange, the Irish Stock Exchange and the London Stock Exchange. In our view, further relaxation of this eligibility requirement will encourage issuers to list their bonds on the Exchange.

Question 13

Do you agree with the proposal to clarify the scope of Professional Debt Issuers' continuing obligation to notify the Exchange of their proposals to amend trust deed (see paragraphs 165 and 166 of the Consultation Paper)?

Yes

Please give reasons for your views.

We agree with the Exchange's proposal for the clarification, and we suggest that an exemption be granted for any modification of the trust deed or other document securing or constituting the listed debt securities which is (i) of a formal, minor or technical nature or to correct a manifest error or to comply with any mandatory provision of applicable laws which can be made without the consent of the holders and (ii) made in connection with tap issues provided that the terms and conditions of the listed debt securities provide the right for the issuer to create and issue further debt securities without the consent of the holders.

Question 14

Do you agree with the proposal to clarify the scope of Professional Debt Issuers' continuing obligation to submit financial statements to the Exchange (see paragraphs 167 and 168 of the Consultation Paper)?

Yes

Please give reasons for your views.

Question 15

Do you agree with the proposal to revise the scope of Public Debt Issuers' continuing obligation to inform and submit drafts to the Exchange with respect to their proposal to amend documents that affect the rights of the holders of their listed debt securities (see paragraphs 169 to 171 of the Consultation Paper)?

Yes

Please give reasons for your views.

Question 16

Do you agree with the proposal to clarify the validity period of a debt programme under MB Rule 37.41 (GEM Rule 30.34) (see paragraphs 172 and 173 of the Consultation Paper)?

Yes

Please give reasons for your views.

Question 17

Do you agree with the proposal to revise the definition of supranationals under the MB Rules (see paragraphs 174 and 175 of the Consultation Paper)?

Yes

Please give reasons for your views.

Question 18

Do you agree with the proposal to require all Public Debt Issuers (except States and supranationals) to publish the English and Chinese versions of their financial statements (see paragraphs 176 to 178 of the Consultation Paper)?

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Yes

Please give reasons for your views.

Question 19

Do you agree with the proposal to replace references to “general meeting” with “meeting of holders of the debt securities” in paragraph 9 of Appendix A2 to the MB Rules (paragraph 9 of Appendix A2 to the GEM Rules) (see paragraphs 179 and 180 of the Consultation Paper)?

Yes

Please give reasons for your reviews.