

**Submitted via Qualtrics**

**Bank of China Limited, Hong Kong Branch**

**Company/Organisation view**

**Corporate Finance Firm / Bank**

**Question 1**

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

**Please give reasons for your views.**

**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?**

**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?**

**Please give reasons for your views.**

**Question 4**

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

**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?**

**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?**

**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)?**

**Please give reasons for your views.**

**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?**

**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)?**

**Please give reasons for your views.**

**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)?**

**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)?**

**Please give reasons for your views.**

**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)?**

**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)?**

**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?**

**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.**

Use of audited interim accounts for eligibility assessment to improve the flexibility

We refer to paragraphs 163-164 in the Consultation Paper, support the HKEx' initiative to "provide flexibility for applicants to satisfy the eligibility requirement", and appreciate further elaboration on the potential improvement on flexibility resulting in from the proposed inclusion of audited interims.

1) Market Observation and Survey

i. Our own market observation

Our own market observation in recent years is that in Hong Kong DCM transactions of PRC offshore bonds, most, if not all, of the Issuers only provide reviewed but not audited interim reports.

ii. Broader market survey

To conduct a broader market survey, we have checked offering documents published on the HKEx' website under "Headline Category - Debt and Structured Products – Debt Securities – Offering Circular and Pricing Supplement – Debt Securities":

From 1 August 2023 to 31 March 2024: out of approximately 207 offering documents, 39 have included interim financials, all of which were not audited but only reviewed.

From 1 August 2024 to 30 September 2024: out of approximately 71 offering documents, 10 have included interim financials, all of which were not audited by only reviewed.

Therefore, a strong incentive may be necessary for the transition of debt securities Issuers to audited interim financials.

2) Cost Analysis: Audited Interim Report v Audited Annual Report

To elaborate, according to the HKEx' position following implementation of the proposed change to LR37.06, audited interim financial statements for the six months ended 30 June 2024 may postpone the beginning of blackout period to 1 October 2025 as compare to 1 April 2025 under the current position. However, per the dominant practice in the debt securities market, after the bond issuance Issuers are generally obliged to produce the same year (2025) audited annual financial statements which implies that auditing of 2024 financial data for comparison would be eventually inevitable. Since the meaningful window to produce audited interim financial reports would be after 1 April 2025 (before then it would be already covered by 2023 audited annual report), in consideration of cost efficiency, at that late stage of the year, whether choosing to produce audited report for a full year of 2024 than only a half-year would be more sensible.

As such, we envisage that the proposed flexibility to allow audited interims may be helpful in certain limited situations. For instance, due to other transactions not directly relevant to the issuance/listing of debt securities an issuer concurrently engages in, which may result in partial availability of audited interims even without the plan of debt listing. We wish the HKEx to elaborate if there are other scenarios under which the use of audited interims may enhance the flexibility.

3) Comparative Note: other stock exchanges' requirement on age of financial statement

We notice that some exchanges do not exert such requirement on the age of latest financial information. For example, Singapore Exchange Limited, while certain others may exert a more lenient requirement on such age, for instance, London Exchange International Securities Market with 18 months (maybe in order to take into consideration instances where 31 March as the beginning of a financial year), as compared to the 15-month position that the HKEx currently holds.

4) Difference between DCM and ECM

Debt securities offering in Hong Kong are predominantly only made to professional investors with relative sophistication. Accordingly, and in line with the HKEx' initiative to provide more flexibility, our proposal is to consider whether to relax the 15-month age requirement, which is stricter than certain comparable exchanges, if the inclusion of reviewed interims is currently not within the big picture.

**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.**

Clarification on the scope of "document securing or constituting the debt securities"

We refer to paragraph 166 in the Consultation Paper, and concur that such continuing obligation of Professional Debt Issuers to notify the HKEx in advance any

proposal to amend shall not be confined solely to Trust Deed. For Mainland PRC Issuers without common law background, it may be hard to distinguish between security and guarantee. As such, we wish the HKEx to further clarify in its future conclusion paper whether “document securing or constituting the debt securities” may include, for instance, deed of guarantee, on which the same notification obligation would apply accordingly.

#### **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)?**

**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)?**

**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)?**

**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)?**

**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)?**

**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)?**

**Please give reasons for your reviews.**