

Submitted via Qualtrics

Company/Organisation view

Question 1

Do you agree with the proposal to set the limit on general mandate for issuance of new shares at 20% of the total issued shares of a PRC issuer, instead of 20% of each of domestic shares and H shares?

Yes

Please provide reasons for your views.

Given the removal of the class distinction between domestic shares and H shares and the corresponding class meeting requirement, we welcome the proposal to set the limit on general mandate for issuance of new shares at 20% of the total issued shares of a PRC issuer, instead of 20% of each of domestic shares and H shares.

Question 2

Do you have a concern that given fund raisings through the issuance of A shares may result in an increase in the number of A shares over H shares, the market size and liquidity of the H share market may reduce relative to the A share market? Do you think there should be other provisions to promote the long term development of the H share market, if so please provide reasons for your views and any suggestions.

No

Please provide reasons for your views and any suggestions.

Listing Rule 8.08 currently requires there must be an open market in the securities for which listing is sought (being issuers having multiple class of shares must ensure the total public float is 25% and the class of shares listing on the Hong Kong Stock Exchange should be not less than 15% of the issuer's total number of issued shares) and the PRC issuer's public float is calculated by reference to both its A and H shares held by the public. We agree that the issue of A or H shares is primarily a commercial decision which is market driven. Provided a PRC issuer is required to maintain, at all times, an open market in the H shares traded on the Hong Kong Stock Exchange, we submit that there is no significant concern that fund raisings through the issuance of A shares may reduce the market size and liquidity of the H share market relative to the A share market.

Question 3

Do you agree with the proposal to set the limit on scheme mandate for share schemes at 10% of the total issued shares of a PRC issuer, instead of 10% of each of domestic shares and H shares?

Yes

Please provide reasons for your views.

Given the Rule amendments consequential to the changes of the New PRC Regulations (as defined in the consultation paper) will become effective on a date to be announced, and that relevant PRC issuers must still adhere to their existing articles concerning class meetings for certain resolutions and other provisions required under the Mandatory Provisions where applicable, until they amend their articles of association, could the Stock Exchange please clarify whether the proposed changes to the limit on scheme mandate for share schemes would be effective for the listed issuer only when its articles of associations have been amended or whether there would be any transitional arrangements?

Question 4

Do you agree with the proposal to remove the requirements for directors, officers and supervisors to provide undertakings to the PRC issuers and their shareholders?

Yes

Please provide reasons for your views.

We agree with the proposal and that it would also align the Listing Rules applicable to overseas issuers which do not provide similar undertaking requirements.

Question 5

Do you agree with the proposal to move the requirements for compliance advisers set out in Rules 19A.05(2) and 19A.06(3) to Chapter 3A?

Yes

Please provide reasons for your views.

We agree with the proposal as all relevant requirements applicable to the compliance advisers would be set out in a more orderly manner and can be easily located in one place in Chapter 3A.

Question 6

Do you agree with the proposal to remove Rules 19A.05(3), 19A.05(4), 19A.06(1) and 19A.06(4)?

Yes

Please provide reasons for your views.

We agree with the proposal as all relevant requirements applicable to the sponsors and compliance advisers would be set out in a more orderly manner and can be easily located in one place in Chapter 3A.

Question 7

Do you agree with the proposal to remove the requirements relating to online display and physical inspection of documents under Rules 19A.50 and 19A.50A?

Yes

Please provide reasons for your views.

We agree as we note the documents concerned are either required to be published online under other Rules or otherwise readily available in the public domain.

Question 8

Do you agree with the proposal to remove the requirements relating to disclosure of material differences between the laws and regulations in the PRC and Hong Kong in listing documents of new applicants that are PRC issuers?

Yes

Please provide reasons for your views.

We agree to the proposal given any PRC issuer seeking a listing on the Hong Kong Stock Exchange is required to comply with Chapter 19 of the Listing Rules regarding primary listings of overseas issuers and the relevant guidance letter- Guidance for Overseas Issuers (GL111-22), which sets out the disclosure requirements in the listing document, among other things, a summary of all provisions of the constitutive documents of the overseas issuer in so far as they may affect shareholders' rights and protections and directors' powers, and publication of Company Information Sheet publishing the laws and regulations in its home jurisdiction and primary market are materially different from those required by Hong Kong laws in relation to shareholders' rights and directors' powers.