

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.

We agree. From the governance point of view, it is best practice to align the requirements applicable to non-PRC issuers dually listed on the Exchange and an overseas Exchange, as the market should operate as a unified whole which is in investors' interest.

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.

We are not unduly concerned as Rule 8.08 requires that there must be an open market in the H-shares. As identified under paragraph 66 of the Consultation Paper, it is a commercial decision to invest in A or H shares and in this connection, Hong Kong should focus on market integrity, and yet, at the same time, its connect functions to capture opportunities in both areas to the extent possible.

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.

We have no issue with this proposed level for scheme mandate because of the removal of the class distinction and the dilution effect within an acceptable range to incentivise the beneficiary of the scheme, which has been through much reform recently to ensure that there is the proper balance from the governance perspective as part of investor protection.

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.

Concerning a dispute under the constitutional documents, etc., the appropriate forum is the Mainland. It will be helpful under the Consultation Conclusions to highlight whether there have been any cases of direct enforcement against directors, officers and supervisors of their contractual undertaking for transparency of information.

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.

From the governance perspective, it is best practice to streamline the Listing Rules, and we have no issue with broadly equivalent Rules under Chapter 3A being leveraged for such a purpose.

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.

From the governance perspective, it is best practice to streamline the Listing Rules, and we have no issue with broadly equivalent Rules under Chapter 3A being leveraged for such a purpose.

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.

As explained in paragraph 80, the information is accessible, and we suggest that this should be explained under the Exchange's relevant FAQs. For example, the latest annual return of a PRC issuer can be located on the National Enterprise Credit Information Publicity System website.

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?

Please provide reasons for your views.

We believe that there should still be a warning. For example, there are differences in the legal and regulatory frameworks and risk factors as disclosures are important from the governance perspective. However, we are not opposed to some unified HKEX webpage to identify some of the usual risks and for the issuer's specific disclosures only to highlight certain material risk factors.