

## Part B Consultation Questions

Please reply to the questions below that are raised in the Consultation Paper downloadable from the HKEX website at: <https://www.hkex.com.hk/-/media/HKEX-Market/News/Market-Consultations/2016-Present/July-2020-Paperless-Listing/Consultation-Paper/cp202007.pdf>. Please indicate your preference by ticking the appropriate boxes.

Where there is insufficient space provided for your comments, please attach additional pages.

**We encourage you to read all of the following questions before responding.**

1. Do you agree with our proposal to amend the Listing Rules to require (i) all listing documents in a new listing ("**New Listing**")<sup>1</sup> to be published solely in an online electronic format and cease printed form listing documents; and (ii) except for Mixed Media Offers<sup>2</sup>, all New Listing subscriptions, where applicable, to be made through online electronic channels only?

Yes

No

Please give reasons for your views.

We support the fully electronic listing and subscription regime as proposed by the HKEX in this consultation paper.

We refer to paragraphs 13 and 15 of this consultation paper that the paperless listing documents and subscription proposals will cover the IPOs of CIS. We would like to clarify whether the proposed regime would apply to the IPO of ETFs.

We understand that initial subscriptions of ETF units in the primary market are not conducted through electronic application channels, and the requests from ETF Manager to CCASS/Trustee for creations of ETF units are submitted in paper forms. Certain enhancements and amendments are required, including among others, implementation of electronic channels for online subscriptions by investors, electronic instructions from the ETF Manager to CCASS for creation of ETF units, etc.

Moreover, we would like to know any fallback solutions that HKEX might put in place for submission of application instructions for ETFs if an emergency or disruption occurs to the online electronic subscription channels.

<sup>1</sup> "New Listing" refers to an application for listing of equities (including stapled securities and depositary receipts), debt securities and collective investment schemes ("CIS") on the Exchange by a new applicant where a listing document is required under the Listing Rules but excludes a Mixed Media Offer. For the purpose of the Consultation Paper, debt securities refer to debt securities (including debt issuance programmes) listed pursuant to chapters 22 to 36 of Main Board Listing Rules and chapters 26 to 29, 32 to 35 of GEM Listing Rules.

<sup>2</sup> "Mixed Media Offer" refers to an offer process whereby an issuer or a CIS offeror can distribute paper application forms for public offers of certain securities without a printed prospectus, so long as the prospectus is available on the HKEX website and the website of the issuer/CIS offeror and it makes printed prospectuses publicly available free of charge upon request at specified locations (which do not have to be the same locations as where the printed application forms are distributed).

2. As a consequence of our proposal in Question 1, do you agree with our proposal to amend the Listing Rules to remove the requirement for listed issuers to make available physical copies of listing documents to the public at the address(es) set out in a formal notice?

Yes

No

Please give reasons for your views.

Yes, we agree.

3. Do you agree with our proposal to require issuers to only post documents<sup>3</sup> online on both the Exchange's e-Publication System and the issuer's website ("**Online Display Documents**") and to remove the requirement for their physical display?

Yes

No

Please give reasons for your views.

Yes, we do not anticipate any difficulties or limitations for the issuers to post documents online on both the Exchange's e-Publication System and the issuer's own website.

4. Do you agree that Online Display Documents should be displayed online for a specified period<sup>4</sup> except for those documents that are required by the Listing Rules to be made available on an ongoing basis?

Yes

No

Please give reasons for your views.

We agree that Online Display Documents should be displayed online for a specified period as set out in Appendix 1 to this consultation paper, except for those documents that are required for online display on an ongoing basis under the Listing Rules.

5. Do you agree that the Exchange should continue to allow redaction of Online Display Documents in only very limited circumstances?

Yes

No

Please give reasons for your views.

<sup>3</sup> Such documents are listed in Appendix I to the Consultation Paper, save for the changes proposed in respect of notifiable transactions and connected transactions as set out in Section G of the Consultation Paper.

<sup>4</sup> The time frames are set out in Appendix 1 to the Consultation Paper.

Redaction of Online Display Documents should only be allowed in very limited circumstances such as publication of such information will conflict with the laws of the jurisdiction of which the listing applicant is subject to. Also, a waiver from disclosure of such information can be applied by the listing applicant and considered by the HKEX on a case by case basis.

6. Do you agree that the current definition of "material contract" remains fit for purpose and that the Exchange should continue to apply it under our proposals?

Yes

No

Please give reasons for your views.

We agree that there is no need to change the current definition of "material contract" for the HKEX's proposals in this consultation paper.

7. Do you agree that restrictions should not be placed on downloading and/or printing Online Display Documents?

Yes

No

Please give reasons for your views.

Since there is no restrictions on downloading and printing of documents by other Hong Kong regulators, including the Companies Registry and the Securities and Futures Commission, we consider that there is no need to place any restrictions on downloading and printing of the Online Display Documents.

8. Do you agree with our proposal not to put in place a system that would enable issuers to record and verify the identity of a person who accesses Online Display Documents?

Yes

No

Please give reasons for your views.

Since there is no such requirement to record or verify the identity of a person who requests to access documents for physical inspection, we agree not to put in place any system to record or to verify identity of any person who wishes to access Online Display Documents.

9. In respect of a relevant notifiable transaction<sup>5</sup>, do you agree with our proposal to:
- i) require the issuer to display the contracts pertaining to the transaction only; and
  - ii) remove the requirement to display all material contracts entered into by the issuer within the last two years before the issue of the circular?

Yes

No

Please give reasons for your views.

We agree with the above proposal but for Proposal (i), we have concerns that displaying all contracts to the relevant notifiable transaction public might disclose confidential commercial terms or information which might led to adverse impact or unfavourable competitions to relevant stakeholders.

We agree to Proposal (ii) as all material contracts entered into by the issuer within the last two years before the issue of the circular has been disclosed and approved by shareholders previously and they are not directly related to the transactions that are the subject of the circulars.

10. In respect of a connected transaction that is subject to the shareholders' approval requirement, do you agree with our proposal to:
- i) require the issuer to display the contracts pertaining to the transaction only; and
  - ii) remove the requirement to display contracts referred to in the circular and directors' service contracts<sup>6</sup>?

Yes

No

Please give reasons for your views.

We agree with the above proposal as these documents are more relevant for shareholders to make their assessments and informed decisions with regards to the relevant connected transaction.

<sup>5</sup> A relevant notifiable transaction refers to a major transaction, a very substantial disposal or a very substantial acquisition as defined in the Consultation Paper.

<sup>6</sup> Excluding contracts that are expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).