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Company/Organisation name\*:

████████████████████

Company/Organisation type\*:

Investment Manager

If "other" is selected, please specify the company/organisation type

Contact Person\*:

██

Name\*:

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Job Title:

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Question 1

**Do you agree that the Equivalence Requirement and the concept of “Recognised Jurisdictions” and “Acceptable Jurisdictions” should be replaced with one common set of Core Standards for all issuers?**

**Please give reasons for your views.**

### **Question 2a**

**Do you agree with the proposed Core Standards set out in paragraphs 79 to 137 of the Consultation Paper?**

**Please give reasons for your views.**

### **Question 2b**

**Do you agree that the existing shareholder protection standards set out in Schedule C of the Consultation Paper should be repealed?**

**Please give reasons for your views.**

### **Question 3**

**Do you agree to codify the current practice that all issuers must conform their constitutional documents to the Core Standards or else demonstrate, as necessary for each standard, how the domestic laws, rules and regulations to which the issuer is subject and its constitutional documents, in combination, provide the relevant shareholder protection under the Core Standards?**

Yes

**Please give reasons for  
your views.**

We appreciate the idea to have issuers listed in the same exchange operating on the basis of a similar set of standards, and to reflect those in their company articles. However, we noted that the proposed amendments allows for a significant amount of waivers to these issuers. Some of the waivers would pose very material risks to minority shareholder interest. For example, the waiver of aligning corporate governance codes between double-listed exchanges and the lack of alignment to the corporate ordinance are quite alarming. Other waivers, such as notifiable and connected transactions and ESG reporting, could also be used as an excuse by laggards to maintain poor transparency.

We believe that HKEX should announce waivers being granted to specific issuers when they are allowed to list in HK. Alternatively, issuers should be required to publicly issue statements / Company Information Sheets in all circumstances about the waivers they enjoy as part of the listing process. This could allow shareholders to have a clear understanding of the expected risks.

#### **Question 4**

**Do you believe any other standards or Listing Rules requirements, other than those set out in paragraphs 79 to 137 or Schedule C of the Consultation Paper , should be added or repealed?**

**Please provide these other standards with reasons for your views.**

#### **Question 5**

**Do you agree that existing listed issuers should be required to comply with the Core Standards?**

Yes

**Please give reasons for your views.**

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We believe that HKEX should announce waivers being granted to specific issuers when they are allowed to list in HK. Alternatively, issuers should be required to publicly issue statements / Company Information Sheets in all circumstances about the waivers they enjoy as part of the listing process. This could allow shareholders to have a clear understanding of the expected risks.

#### **Question 6a**

**Do you agree that existing listed issuers should have until their second annual general meeting**

**following the implementation of our proposals to make any necessary amendments to their constitutional documents to conform with the Core Standards?**

**Please give reasons for your views.**

**Question 6b**

**Do you agree that the application of the Core Standards will not cause existing listed issuers undue burden?**

Yes

**Please give reasons for your views.**

**Question 7**

**Do you agree with the principles set out in paragraph 155 of the Consultation Paper for use when considering waiver applications from Overseas Issuers applying for a dual primary listing in Hong Kong?**

No

**Please give reasons for your views.**

We appreciate the idea to have issuers listed in the same exchange operating on the basis of a similar set of standards, and to reflect those in their company articles. However, we noted that the proposed amendments allows for a significant amount of waivers to these issuers. Some of the waivers would pose very material risks to minority shareholder interest. For example, the waiver of aligning corporate governance codes between double-listed exchanges and the lack of alignment to the corporate ordinance are quite alarming. Other waivers, such as notifiable and connected transactions and ESG reporting, could also be used as an excuse by laggards to maintain poor transparency.

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## **Question 8**

**Do you agree to codify certain Common Waivers and the prescribed conditions as described in paragraph 158 of the Consultation Paper?**

**Please give reasons for your views.**

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## **Question 9**

**Do you agree that Grandfathered Greater China Issuers and Non-Greater China Issuers with Non-compliant WVR and/ or VIE Structures should be able to apply for dual primary listing directly on the Exchange as long as they can meet the relevant suitability and eligibility requirements under Chapter 19C of the Listing Rules for Qualifying Issuers with a WVR structure?**

No

**Please give reasons for your views.**

Fundamentally, we disagree with the VIE/WVR structures, as they would not sufficiently protect minority shareholders' interests. We also believe this could create larger issues for HKEX when VIE/WVR becomes a standard for innovative companies listing in Hong Kong. The relatively weak contractual agreements (and shareholder legal protection) under the VIE structures, and the imbalance between economic interests and voting rights under the WVR structure, could be problematic as some of these innovative companies mature in the future.

Currently, HKEX already offers a two-step approach to ensure that offshore issuers with non-compliant WVR/VIE structures are listed secondarily in Hong Kong while retaining their structures. Although this

does not address the concerns we have outlined above, we believe that the current approach has its merits given the market demand and HKEX's competitiveness. As a minority shareholder in some of these innovative companies, we do not believe they should be granted direct dual-listing status.

In the de-listing scenario, we do not object to a mechanism that potentially allows for secondarily listed issuers to become primary listed, shall they adhere to the requirements in the Listing Rules.

#### **Question 10**

**Do you agree that Grandfathered Greater China Issuers and Non-Greater China Issuers referred to in Question 9 above be allowed to retain their Non-compliant WVR and/ or VIE Structures (subsisting at the time of their dual primary listing in Hong Kong) even if, after their listing in Hong Kong, they are de-listed from the Qualifying Exchange on which they are primary listed?**

No

**Please give reasons for your views.**

Fundamentally, we disagree with the VIE/WVR structures, as they would not sufficiently protect minority shareholders' interests. We also believe this could create larger issues for HKEX when VIE/WVR becomes a standard for innovative companies listing in Hong Kong. The relatively weak contractual agreements (and shareholder legal protection) under the VIE structures, and the imbalance between economic interests and voting rights under the WVR structure, could be problematic as some of these innovative companies mature in the future.

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In the de-listing scenario, we do not object to a mechanism that potentially allows for secondarily listed issuers to become primary listed, shall they adhere to the requirements in the Listing Rules.

#### **Question 11**

**Do you agree with our proposal to codify requirements (with the amendments set out in the Consultation Paper) relating to secondary listings in Chapter 19C of the Listing Rules and re-purpose**

**Chapter 19 of the Listing Rules as one dedicated to primary listings only?**

**Please give reasons for your views.**

**Question 12**

**Do you agree that the Exchange should implement the quantitative eligibility criteria as proposed in paragraphs 199 and 201 of the Consultation Paper for all Overseas Issuers without a WVR structure (including those with a centre of gravity in Greater China) seeking to secondary list on the Exchange?**

**Please give reasons for your views.**

**Question 13**

**Do you agree that an exemption from the listing compliance record requirement be introduced, similar to the current JPS exemption, to cater for secondary listing applicants without a WVR structure that are well-established and have an expected market capitalisation at listing that is significantly larger than HK\$10 billion?**

**Please give reasons for your views.**

**Question 14**

**Do you agree that new secondary listing applicants without a WVR structure (including those that have a centre of gravity in Greater China) should not have to demonstrate to the Exchange that they are an “Innovative Company”?**

**Please give reasons for your views.**

**Question 15**

**Do you agree that a Rule should be introduced to make it clear that the Exchange retains the discretion to reject an application for secondary listing if it believes the listing constitutes an attempt to avoid the Listing Rules that apply to primary listing?**

**Please give reasons for your views.**

**Question 16**

**Do you agree that the Exchange should apply the test for a reverse takeover, as described in paragraph 210 of the Consultation Paper, if the Exchange suspects that an issuer's secondary listing application is an attempt to avoid the Listing Rules that apply to primary listing?**

**Please give reasons for your views.**

**Question 17**

**Do you agree that the scope of the Trading Migration Requirement should be extended to cover all issuers with a secondary listing?**

**Please give reasons for your views.**

**Question 18**

**In your opinion, will the extension of the Trading Migration Requirement to all secondary listed issuers be unduly burdensome for those that are not currently subject to this requirement?**

**Please give reasons for your views.**



**Question 19**

**Do you agree with the codification of the principles set out in paragraph 215 of the Consultation Paper on which exemptions/ waivers are granted to secondary listed issuers?**

**Please give reasons for your views.**

**Question 20**

**Do you agree to codify the Automatic Waivers and conditional Common Waivers in the Listing Rules for all issuers with, or seeking, a secondary listing?**

**Please give reasons for your views.**

**Question 21**

**Do you agree with the removal of the current condition for granting a waiver from the shareholders' consent requirement relating to further issues of share capital for secondary listed issuers as described in paragraphs 218 and 219 of the Consultation Paper?**

**Please give reasons for your views.**

**Question 22**

**Do you agree that secondary listed issuers should comply with the requirements for a diversity policy and for such policy to be disclosed in their annual reports (for the reasons set out in paragraph 223 of the Consultation Paper)?**

**Please give reasons for your views.**

**Question 23**

**Do you have any comments on the content of the Guidance Letter in relation to trading migration and de-listing of secondary listed issuers from their overseas exchanges of primary listing set out in Schedule E of the Consultation Paper?**

**Please give reasons for your views.**

**Question 24**

**Do you agree that the Exchange should codify the Regulatory Co-operation Requirement (with modification as described in paragraph 242 of the Consultation Paper) into Chapter 8 of the Listing Rules for all issuers?**

**Please give reasons for your views.**

**Question 25**

**Do you agree that the Exchange should retain as guidance the alternative auditing standards listed in paragraph 249 of the Consultation Paper that can be used to audit the financial statements of Overseas Issuers?**

**Please give reasons for your views.**

**Question 26**

**Do you agree to codify the JPS requirement that the suitability of a body of alternative financial**

reporting standards depends on whether there is any significant difference between that body of standards and IFRS, and whether there is any concrete proposal to converge or substantially converge the standards with IFRS?

Please give reasons for your views.

#### Question 27

Do you agree to retain, as guidance, the list of acceptable alternative financial reporting standards that can be used to prepare the financial statements of Overseas Issuers subject to the current limitations on their use as set out in Table 7 (see Schedule E of the Consultation Paper)?

Please give reasons for your views.

#### Question 28

Do you agree to codify the JPS requirement that a dual primary or secondary listed issuer that adopts a body of alternative financial reporting standards for its financial statements (other than issuers incorporated in an EU member state which adopted EU-IFRS) must adopt HKFRS or IFRS if it de-lists from the jurisdiction of the alternative standards?

Please give reasons for your views.

#### Question 29a

Do you agree that issuers that de-list from a jurisdiction of an alternative financial reporting standard should be given an automatic grace period (i.e. an application to the Exchange is not required) within which to adopt IFRS or HKFRS?

Please give reasons for your views.

**Question 29b**

**Do you agree that this grace period should end on the issuer's first anniversary of its de-listing?**

**Please give reasons for your views.**

**Question 30**

**Do you agree that, for the sake of consistency of approach, an issuer must demonstrate a reason for adopting US GAAP for the preparation of its financial statements (including annual financial statements and the financial statements included in its accountants' reports) and adopt IFRS or HKFRS if the circumstances underpinning those reasons change (e.g. it de-lists from a US exchange)?**

**Please give reasons for your views.**

**Question 31**

**Do you agree that any issuer that wishes to adopt US GAAP for the preparation of its annual financial statements must include a reconciliation statement showing the financial effect of any material differences between its financial statements and financial statements prepared using HKFRS or IFRS?**

**Please give reasons for your views.**

**Question 32**

**Do you agree to codify the amendment to the FRCO that established the PIE Engagement regime into the Listing Rules?**

Please give reasons for your views.

**Question 33**

**Do you agree to amend the Listing Rules to codify the requirement that an issuer normally appoint a firm of practising accountants that is qualified under the PAO and is a Registered PIE Auditor under the FRCO to prepare an accountants' report that constitutes a PIE Engagement under the FRCO?**

Please give reasons for your views.

**Question 34**

**Do you agree to amend the Listing Rules to allow Overseas Issuers to appoint an audit firm that is not qualified under the PAO (but it is a Recognized PIE Auditor of that issuer under the FRCO) for PIE Engagements to prepare an accountants' report for a reverse takeover or a very substantial acquisition circular relating to the acquisition of an overseas company?**

Please give reasons for your views.

**Question 35**

**Do you agree to amend the Listing Rules to codify the JPS requirement that, in relation to the PIE Engagements and notifiable transactions, overseas audit firms must normally fulfil the characteristics described in paragraph 271 of the Consultation Paper?**

Please give reasons for your views.

**Question 36**

**Do you agree to amend the Listing Rules to codify the amendments to the FRCO on the collection of levies by the Exchange on behalf of the FRC as described in paragraphs 280 and 281 of the Consultation Paper?**

**Please give reasons for your views.**

**Question 37**

**Do you agree to codify the JPS requirement for Company Information Sheets as described in paragraphs 283 to 288 of the Consultation Paper?**

**Please give reasons for your views.**

**Question 38**

**Do you agree that the Company Information Sheet requirement should be applied to: (a) secondary listed issuers; and (b) any other Overseas Issuer, at the Exchange's discretion, where it believes the publication of a Company Information Sheet would be useful to Hong Kong investors?**

**Please give reasons for your views.**

**Question 39**

**Do you agree to amalgamate the guidance described in paragraphs 289 and 290 of the Consultation Paper into one combined guidance letter for overseas issuers (see Schedule E of the Consultation Paper)?**

**Please give reasons for your views.**

**Comment**