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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?**

Yes

**Please give reasons for your views.**

We welcome the proposed consolidation of the concepts of Recognised Jurisdictions and Acceptable

Jurisdictions into one set of Core Standards, together with the repeal of the Equivalence Requirement. The proposal to streamline the shareholder protection standards into one set of Core Standards is a significant improvement on the current position.

**Question 2a**

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

Yes

**Please give reasons for your views.**

We agree with the proposed Core Standards.

**Question 2b**

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you agree that the existing shareholder protection standards set out in Schedule C of the Consultation Paper should be repealed?**

Yes

**Please give reasons for your views.**

We agree with the repeal of the existing shareholder protection standards set out in Schedule C of the consultation paper.

**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 agree to the proposed codification.

**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**paragraphs 79 to 137 or Schedule C of the Consultation Paper , should be added or repealed?**

No

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

We consider that the Core Standards offer adequate protection to shareholders and do not have anything to add to the Core Standards or to be proposed for repeal other than those requirements set out in Schedule C of the consultation paper.

#### **Question 5**

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

No

**Please give reasons for your views.**

It is helpful to have a defined set of Core Standards applicable to all issuers, as this introduces a level of consistency for all companies listed in Hong Kong and sets a 'baseline' standard for shareholder protection.

However, we would NOT expect the introduction of the Core Standards to affect existing waivers granted to an issuer. If, for example, a secondary listed issuer has been granted a waiver (at the time of listing) from compliance with Listing Rule 19C.07(3) in relation to the appointment, removal and remuneration of auditors, we would not expect the introduction of the Core Standards (ie. the introduction of proposed paragraph 5 of Appendix 3 to the Listing Rules in this case) to affect the waiver already in place for this issuer.

Waivers are obtained upon listing for good reasons and it cannot be the case that the introduction of the Core Standards will serve to retroactively withdraw an existing waiver.

#### **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?**

**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?**

Yes

**Please give reasons for your views.**

We agree that the principles set out in paragraph 155 are fair and reasonable.

**Question 8**

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

Yes

**Please give reasons for your views.**

We consider that the codification will help achieve the objectives set out in paragraph 158 and will enable issuers to better assess the regulatory compliance requirements for listing in Hong Kong.

**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?**

Yes

**Please give reasons for your views.**

This is sensible as under the current regime, these issuers are already allowed to become dual primary listed through either the “two step” route when the Trading Migration Requirement is triggered.

**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?**

Yes

**Please give reasons for your views.**

We consider this proposal acceptable since these issuers can already become primary listed under the current regime as described in paragraphs 152 to 153.

**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?**

Yes

**Please give reasons for your views.**

We agree and welcome the proposal. Codification of the requirements relating to secondary listings and primary listings in this manner is sensible and will benefit listing applicants and professional parties alike.

**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?**

Yes

**Please give reasons for your views.**

We agree and welcome the proposal as it will provide an extra avenue for secondary listing for Overseas Issuers without WVR structures.

**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?**

Yes

**Please give reasons for your views.**

There may be other factors pertaining to the application which need to be considered, so the application for exemption should be decided on a case by case basis after taken into account all relevant factors.

**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”?**

Yes

**Please give reasons for your views.**

The removal of the “innovative company” requirement for applicants without WVR structure allows issuers from traditional industries to access the Hong Kong market by way of secondary listing.

**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?**

Yes

**Please give reasons for your views.**

We believe it is important that the Exchange retains a discretion to reject a secondary listing application in those circumstances.

### **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?**

Yes

**Please give reasons for your views.**

We consider this a sensible approach.

### **Question 17**

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

Yes

**Please give reasons for your views.**

We agree to this proposal because it puts in place a consistent approach for all applicants seeking a secondary listing.

### **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?**

No

**Please give reasons for your views.**

We do not believe that the proposed extension will be unduly burdensome for issuers that are not currently subject to this requirement. In any event, it is more important that a consistent approach is maintained and that the same rules apply to all secondary listed issuers.

### **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?**

Yes

**Please give reasons for your views.**

We consider the codification of the principles for granting exemptions and waiver allows for greater transparency and will assist listing applicants.

**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?**

Yes

**Please give reasons for your views.**

Codification of the Automatic Waivers and Common Waivers for Secondary Listed Issuers will give the market greater clarity and certainty as to the requirements applicable to such issuers.

**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?**

Yes

**Please give reasons for your views.**

We agree with the removal of Note 2 to LR13.36(2)(b) with the aim being to simplify and standardize the Listing Rules for all Overseas Issuers.

**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)?**

Yes

**Please give reasons for your views.**

We agree that secondary listed issuers should comply with the diversity policy disclosure requirements as set out in the Listing Rules.

**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?**

No

**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?**

Yes

**Please give reasons for your views.**

We agree with the codification (and the proposed modification) of the Regulatory Co-operation Requirement into Listing Rules 8.02A & 8.02B.

#### **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?**

Yes

**Please give reasons for your views.**

We agree with the proposal to retain the list (as per paragraph 249) and publish the same by way of guidance.

#### **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?**

Yes

**Please give reasons for your views.**

We agree with the proposed codification.

**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)?**

Yes

**Please give reasons for your views.**

We agree to retain, by way of guidance, the list of acceptable alternative financial reporting standards that can be used to prepare the financial statements of Overseas Issuers (together with the limitations set out in Table 7).

**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?**

Yes

**Please give reasons for your views.**

We agree with the proposed codification.

**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?**

Yes

**Please give reasons for your views.**

An automatic grace period (ending on the issuer's first anniversary of its de-listing) is sensible.

**Question 29b**

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

Yes

**Please give reasons for your views.**

The timing is reasonable.

**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)?**

Yes

**Please give reasons for your views.**

We agree that an issuer wishing to adopt US GAAP for the preparation of its annual financial statements will be required to demonstrate a reason for doing so.

**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?**

Yes

**Please give reasons for your views.**

We agree with the proposed requirement to include a reconciliation statement and the purpose for doing so.

**Question 32**

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

Yes

**Please give reasons for your views.**

We agree that it would be helpful to amend the Listing Rules to reflect the amendments to the FRCO.

**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?**

Yes

**Please give reasons for your views.**

We agree that it would be helpful to amend the Listing Rules to codify existing requirements and practice.

**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?**

Yes

**Please give reasons for your views.**

We agree with the proposed amendment.

**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?**

Yes

**Please give reasons for your views.**

We agree that amending the Listing Rules to state the characteristics described in paragraph 271 will be helpful.

**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?**

Yes

**Please give reasons for your views.**

We agree that it is helpful to amend the Listing Rules to include details of the collection of levies by the Exchange, as required under the FRCO.

**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?**

Yes

**Please give reasons for your views.**

We agree with the proposed codification to require disclosure of a Company Information Sheet.

**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?**

Yes

**Please give reasons for your views.**

We agree this is useful information for investors and that the requirement should be applied to the issuers as listed in paragraph 288.

**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)?**

Yes

**Please give reasons for your views.**

We agree that it is helpful to amalgamate the existing guidance into a combined guidance letter for Overseas Issuers.

**Comment**