

Part B Consultation Questions

Please indicate your preference by checking the appropriate boxes. Please reply to the questions below that are raised in the Consultation Paper downloadable from the HKEX website at:

<https://www.hkex.com.hk/eng/newsconsul/mktconsul/Documents/cp2017112.pdf>

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

1. Do you agree with the proposed Rule amendments to incorporate the directors' and supervisors' obligations set out in Part 2 of the DU Forms into the Rules?

☒ Yes

☐ No

If your answer is "No", please give reasons for your views.

We agree with the Exchange's view that filing of DU Forms is administratively cumbersome for issuers. However, please consider revising the proposed amendments to Rule 3.20(1) by replacing "immediately upon his appointment" with "as soon as practicable after his appointment" to align with the wordings of Rule 13.51(2) and allow directors to have sufficient time to make the filing.

2. Do you agree with the proposed Rule amendments to not require a solicitor's certification?

☒ Yes

☐ No

If your answer is "No", please give reasons for your views.

We agree that it should be a matter for the director to decide whether any legal advice is required.

3. Do you agree with the proposed Rule amendments to not require a sponsor's certification?

☒ Yes

☐ No

If your answer is "No", please give reasons for your views.

We agree with the Exchange that Appendix 19 to the Listing Rules has already covered the required information.

4. Do you agree with the proposed Rule amendments to require disclosure of the former name and alias (if any) of a director or supervisor?

☒ Yes

☐ No

If your answer is "No", please give reasons for your views.

The proposed amendments promote transparency and conform with sections 643(2) and 645(1) of the HK Companies Ordinance which require the disclosure of a director's former name and alias to the Companies Registrar.

5. Do you agree with the proposed Rule amendments to require directors and supervisors to provide their contact information as set out in paragraph 26 of the Consultation Paper to the Exchange?

☒ Yes

☐ No

If your answer is "No", please give reasons for your views.

The proposed amendments facilitate communication between directors and the Exchange.

6. Do you agree with the proposed Rule amendments to grant the power to the Exchange to gather information from supervisors and require supervisors to cooperate in the Exchange's investigation?

☒ Yes

☐ No

If your answer is "No", please give reasons for your views.

We agree with the Exchange's view that supervisors have a role to play in issuers' rule compliance.

7. Do you agree with the proposed Rule amendments to align the requirements of the Main Board Rules and the GEM Rules as set out in paragraphs 30(i), (ii) and (iii) of the Consultation Paper?

☒ Yes

☐ No

If your answer is "No", please give reasons for your views.

8. (a) Do you agree with the proposed Rule amendments to remove the requirement to submit a certified copy of the Board Resolutions and to require the issuer to confirm in the relevant next day disclosure return and/or monthly return that the issue of securities has been duly authorised by the board?

☒ Yes

☐ No

If your answer is "No", please give reasons for your views.

The filing requirements are administratively cumbersome for issuers and inclusion of the confirmation in the returns will in fact promote transparency.

- (b) Do you agree with the proposed Rule amendments to remove the requirement to submit a Form F Declaration and to require the issuer to confirm in the relevant next day disclosure return and/or monthly return the matters set out in items (a) and (b)(i) to (viii) in the table under paragraph 35 of the Consultation Paper?

☒ Yes

☐ No

If your answer is "No", please give reasons for your views.

See reasons stated in question 8(a) above

- (c) Do you agree with the proposal to add a separate Rule that if there is any material change to a document after clearance by the Exchange, the document should be resubmitted to the Exchange for further comments before it is issued?

☒ Yes

☐ No

If your answer is "No", please give reasons for your views.

It would be helpful if the Exchange could add a Note to the Rule and set out some examples of "immaterial" changes to a document for issuers' reference (e.g. changes to figures which depend on the information and correction of errors/typos).

9. Do you agree with the proposed Rule amendments to remove each of the documentary requirements set out in items 1 to 10 in the table under paragraph 37 of the Consultation Paper?

☒ Yes

☐ No

If your answer is "No", please give reasons for your views.

The filing requirements are administratively cumbersome for issuers. Moreover, the notification requirements under Rules 13.43, 13.51(2) and 13.51B(2) are unnecessary as the relevant information is required to be publicly announced.

10. Do you agree with the proposal to add a Note to clarify the period of disclosure of pre-acquisition financial information on material businesses/subsidiaries acquired by a new applicant as described in paragraph 41 of the Consultation Paper?

☒ Yes

☐ No

If your answer is "No", please give reasons for your views.

11. Do you agree with the proposal to amend paragraphs 9(a) and (b) of Main Board Rules Practice Note 22 and paragraph 8 of GEM Rules Practice Note 5 to state that applicants must submit the Application Proof for publication on the HKEX website "on the same day" (instead of "at the same time") they submit the listing application?

☒ Yes

☐ No

If your answer is "No", please give reasons for your views.

12. Do you agree with the proposal to remove GEM Rule 17.55 and align the formal reporting requirements for profit forecasts in the GEM Rules with those in the Main Board Rules?

☒ Yes

☐ No

If your answer is "No", please give reasons for your views.

13. Do you agree with the proposal to amend paragraph 3(c) of PN15 to clarify that the Exchange may grant a Waiver if the Parent fails to meet the minimum profit requirement under Rule 8.05 due solely to a significant market downturn?

☒ Yes

☐ No

If your answer is "No", please give reasons for your views.

14. Do you agree with the proposed amendments to the Main Board Rules to require listed issuers to announce any changes to their website addresses?

☒ Yes

☐ No

If your answer is "No", please give reasons for your views.

An issuer's website is an important platform through which investors could access its announcements and other corporate communications as required under the Listing Rules, the Companies Ordinance and the Securities and Futures Ordinance. Thus, any changes to the website address should be announced for investors' information.

15. Do you agree with the proposed amendments to the Main Board Rules to codify the practices that listed issuers should announce the matters set out in paragraphs 55(a) to (c) of the Consultation Paper?

☒ Yes

☐ No

If your answer is "No", please give reasons for your views.

Given that the matters stated in paragraphs 55(a) to (c) are material information, we agree with the Exchange's proposal to explicitly require issuers to make announcements under the said circumstances.

16. Do you agree with the proposal to amend Main Board Rules 15A.21(1) and 15A.64(3) to require issuers of structured products to submit their financial reports, supplemental or standalone listing documents to the Exchange in electronic form only?

☒ Yes

☐ No

If your answer is "No", please give reasons for your views.

17. Do you agree with our proposal to amend Note 4 to Main Board Rule 15A.22 to require issuers of structured products to provide liquidity for at least 20 (instead of ten) board lots of their structured products and to make consequential changes to the note to paragraph 17(15) of Appendix 1D to the Main Board Rules?

☐ Yes

☐ No

If your answer is "No", please give reasons for your views.

No views on the above question

18. Do you agree with our proposal to include entitlement ratios of five, 50 and 500 structured products for one share (or other security) in Main Board Rule 15A.40?

☐ Yes

☐ No

If your answer is "No", please give reasons for your views.

No views on the above question

19. Do you agree with our proposal to amend Main Board Rule 15A.59 to clarify that information (where available) as described in paragraph 68 of the Consultation Paper of both the issuer and the guarantor are required to be included in the formal announcement for structured products?

☒ Yes

☐ No

If your answer is "No", please give reasons for your views.

20. Do you agree with our proposal to amend Main Board Rule 15A.63(1) to require the submission of one draft (instead of two drafts or proofs) of the listing document to the Exchange for review?

☒ Yes

☐ No

If your answer is "No", please give reasons for your views.

21. Do you agree with our proposal to amend Main Board Rules 15A.71, 15A.72, 15A.73, 15A.74, and 15A.76 to clarify that that these Rules apply to stand alone listing documents (in addition to base listing documents, supplemental listing documents and supplementary listing documents)?

☒ Yes

☐ No

If your answer is "No", please give reasons for your views.

22. Do you agree with our proposal to amend Main Board Rule 37.39 and GEM Rule 30.32 to state that an issuer must publish a formal notice before listing?

☒ Yes

☐ No

If your answer is "No", please give reasons for your views.

23. Do you agree with the proposal to introduce the definitions of "modified opinion" and "modified report" and the proposed consequential amendments in Appendix II to the Consultation Paper in order to update the audit terminology in the Rules with reference to the new and revised Auditor Reporting Standards issued by the HKICPA?

☒ Yes

☐ No

If your answer is "No", please give reasons for your views.

24. The Exchange invites your comments regarding whether the manner in which the proposed housekeeping Rule amendments as set out in Chapter 4 of the Consultation Paper are drafted will give rise to any ambiguities or unintended consequences.

The proposed housekeeping changes are straight forward and we do not find any ambiguities.

25. Do you have any other comments in respect of the matters discussed in the Consultation Paper? If so, please set out your additional comments.

Nil

- End -