

Part B Consultation Questions

Please indicate your preference by checking the appropriate boxes. Please reply to the questions below on the proposed change discussed in the Consultation Paper downloadable from the HKEX website at:

<http://www.hkex.com.hk/eng/newsconsul/mktconsul/Documents/cp2017091.pdf>

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

1. Do you agree with our proposed MB Rule amendment to add a fixed period delisting criterion?

☒ Yes

☐ No

If your answer is "No", please explain why.

This will speed up the process with a clear deadline for remedy for irregularities.

2. Do you think the appropriate period under the fixed period delisting criterion should be:

☐ 12 months

☐ 18 months

☒ 24 months

☐ Other _____ (please state)

Please also explain why.

Certain failure in compliance requires more time to address. For instance, an issuer needs time to conduct placings of shares to outsiders under a favourable market condition in order to restore a sufficient public float.

3. Do you agree with our proposed MB Rule amendment to allow the Exchange to delist an issuer under any applicable delisting criteria in MB Rule 6.01 immediately, or publish a delisting notice and give the issuer a period of time to remedy the relevant issues to avoid delisting?

☒ Yes

☐ No

If your answer is "No", please explain why.

This will give the Exchange the discretion to delist an issuer with "irremediable default" immediately in extreme circumstances or publish a delisting notice giving a remedial time to cater for each individual case of issuers.

4. Do you agree with our proposal to remove Practice Note 17 and to delist issuers without sufficient operations or assets under either the fixed period criterion or the new delisting process for MB Rule 6.01?

☒ Yes

☐ No

If your answer is "No", please explain why.

This will reduce the prolonged suspension cases.

5. Do you agree with our proposal to add a note to MB Rule 13.24 setting out the characteristics of issuers which are unable to comply with MB Rule 13.24?

☒ Yes

☐ No

If your answer is "No", please explain why.

6. Do you agree with our proposal to remove MB Rule 6.01(1)?

☒ Yes

☐ No

If your answer is "No", please explain why.

It is justified to remove MB Rule 6.01(1) to avoid ambiguity because the rule does not give a clear basis for delisting.

7. Do you agree with our proposal to clarify in MB Rule 2B.07(5) the applicable procedures for reviewing decisions to suspend or cancel a listing under MB Rule 6.01?

☒ Yes

☐ No

If your answer is "No", please explain why.

8. Do you agree with our proposed MB Rule amendment to require suspended issuers to announce quarterly updates?

☒ Yes

☐ No

If your answer is "No", please explain why.

This will give a regular update on the issuer's developments and the progress on satisfying the resumption conditions.

9. Do you agree with the proposed transitional arrangements described in paragraph 52 of the consultation paper, and the proposed commencement dates of the fixed period under different situations?

☒ Yes

☐ No

If your answer is "No", please explain why.

They are proper arrangements.

10. Do you agree with our proposed GEM Rule amendment to add a fixed period delisting criterion?

☒ Yes

☐ No

If your answer is "No", please explain why.

11. Do you think the appropriate period under the fixed period delisting criterion should be:

☐ 6 months

☐ 12 months

☒ Other 24 months (please state)

Please also explain why.

This gives longer period for issuers to handle the matters.

12. Do you agree with the proposed transitional arrangement described in paragraph 59 of the consultation paper?

☒ Yes

☐ No

If your answer is "No", please explain why.

13. Do you agree with our proposal to align the wording of GEM Rule 9.15 with MB Rule 6.10?

☒ Yes

☐ No

If your answer is "No", please explain why.

14. Do you agree with our proposal to remove GEM Rule 9.04(5)?

☒ Yes

☐ No

If your answer is "No", please explain why.

15. Do you agree with our proposal to clarify in GEM Rule 4.07(6) the applicable procedures for reviewing decisions to suspend or cancel a listing under Chapter 9 of the GEM Rules?

☒ Yes

☐ No

If your answer is "No", please explain why.

16. Do you agree with our proposed GEM Rule amendment to require suspended issuers to announce quarterly updates?

☒ Yes

☐ No

If your answer is "No", please explain why.

This will give a regular update on the issuer's developments and the progress on satisfying the resumption conditions.

17. Do you agree with our proposal to remove MB Rule 14.37(1) / GEM Rule 19.37(1)?

☒ Yes

☐ No

If your answer is "No", please explain why.

18. Do you agree with our proposal to remove MB Rule 14.37(2) / GEM Rule 19.37(2)?

☒ Yes

☐ No

If your answer is "No", please explain why.

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19. Do you agree with our proposed MB / GEM Rule amendment to delegate authority to the Listing Department to direct resumption of trading and to provide for an accelerated review procedure?

☒ Yes

☐ No

If your answer is "No", please explain why.

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- End -