
QUESTIONNAIRE ON REVIEW STRUCTURE IN RELATION TO LISTING COMMITTEE DECISIONS

We invite interested parties to respond to the Consultation Paper on Review Structure in relation to Listing Committee Decisions (**Consultation Paper**), which can be downloaded from the HKEX website at:

<http://www.hkex.com.hk/-/media/HKEX-Market/News/Market-Consultations/2016-Present/August-2018-Review-Structure-to-LC-Decisions/Consultation-Paper/cp201808.pdf>

This Questionnaire contains the Privacy Policy Statement; Part A: General Information of Respondents; and Part B: Consultation Questions.

All responses should be made in writing by completing and returning to HKEX both Part A and Part B of this Questionnaire no later than **12 October 2018** by one of the following methods:

By mail or
hand delivery to: Hong Kong Exchanges and Clearing Limited
10th Floor, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

Re: Consultation Paper on Review Structure in relation to Listing Committee Decisions

By fax to: (852) 2524-0149
By e-mail to: response@hkex.com.hk
Please mark in the subject line:

Re: Consultation Paper on Review Structure in relation to Listing Committee Decisions

Our submission enquiry number is (852) 2840-3844.

The names of person who submit comments together with the whole or part of their submissions may be disclosed to members of the public. If you do not wish your name to be published please indicate so in Part A.

Privacy Policy Statement

Hong Kong Exchanges and Clearing Limited, and from time to time, its subsidiaries (together the "**Group**") (and each being "**HKEX**", "**we**", "**us**" or "**member of the Group**" for the purposes of this Privacy Policy Statement as appropriate) recognise their responsibilities in relation to the collection, holding, processing, use and/or transfer of personal data under the Personal Data (Privacy) Ordinance (Cap. 486) ("**PDPO**"). Personal data will be collected only for lawful and relevant purposes and all practicable steps will be taken to ensure that personal data held by us is accurate. We will use your personal data which we may from time to time collect in accordance with this Privacy Policy Statement.

We regularly review this Privacy Policy Statement and may from time to time revise it or add specific instructions, policies and terms. Where any changes to this Privacy Policy Statement are material, we will notify you using the contact details you have provided us with and, where required by the PDPO, give you the opportunity to opt out of these changes by means notified to you at that time. Otherwise, in relation to personal data supplied to us through the HKEX website or otherwise, continued use by you of the HKEX website or your continued relationship with us shall be deemed to be your acceptance of and consent to this Privacy Policy Statement, as amended from time to time.

If you have any questions about this Privacy Policy Statement or how we use your personal data, please contact us through one of the communication channels set out in the "Contact Us" section below.

We will take all practicable steps to ensure the security of the personal data and to avoid unauthorised or accidental access, erasure or other use. This includes physical, technical and procedural security methods, where appropriate, to ensure that the personal data may only be accessed by authorised personnel.

Please note that if you do not provide us with your personal data (or relevant personal data relating to persons appointed by you to act on your behalf) we may not be able to provide the information, products or services you have asked for or process your requests, applications, subscriptions or registrations, and may not be able to perform or discharge the Regulatory Functions (defined below).

Purpose

From time to time we may collect your personal data including but not limited to your name, mailing address, telephone number, email address, date of birth and login name for the following purposes:

1. to process your applications, subscriptions and registration for our products and services;
2. to perform or discharge the functions of HKEX and any company of which HKEX is the recognised exchange controller (as defined in the Securities and Futures Ordinance (Cap. 571)) ("**Regulatory Functions**");
3. to provide you with our products and services and administer your account in relation to such products and services;
4. to conduct research and statistical analysis;
5. to process your application for employment or engagement within HKEX to assess your suitability as a candidate for such position and to conduct reference checks with your

previous employers; and

6. other purposes directly relating to any of the above.

Direct marketing

Where you have given your consent and have not subsequently opted out, we may also use your name, mailing address, telephone number and email address to send promotional materials to you and conduct direct marketing activities in relation to HKEX financial services and information services, and financial services and information services offered by other members of the Group.

If you do not wish to receive any promotional and direct marketing materials from us or do not wish to receive particular types of promotional and direct marketing materials or do not wish to receive such materials through any particular means of communication, please contact us through one of the communication channels set out in the "Contact Us" section below. To ensure that your request can be processed quickly please provide your full name, email address, log in name and details of the product and/or service you have subscribed.

Identity Card Number

We may also collect your identity card number and process this as required under applicable law or regulation, as required by any regulator having authority over us and, subject to the PDPO, for the purpose of identifying you where it is reasonable for your identity card number to be used for this purpose.

Transfers of personal data for direct marketing purposes

Except to the extent you have already opted out we may transfer your name, mailing address, telephone number and email address to other members of the Group for the purpose of enabling those members of the Group to send promotional materials to you and conduct direct marketing activities in relation to their financial services and information services.

Other transfers of your personal data

For one or more of the purposes specified above, your personal data may be:

1. transferred to other members of the Group and made available to appropriate persons in the Group, in Hong Kong or elsewhere and in this regard you consent to the transfer of your data outside of Hong Kong;
2. supplied to any agent, contractor or third party who provides administrative, telecommunications, computer, payment, debt collection, data processing or other services to HKEX and/or any of other member of the Group in Hong Kong or elsewhere; and
3. other parties as notified to you at the time of collection.

How we use cookies

If you access our information or services through the HKEX website, you should be aware that cookies are used. Cookies are data files stored on your browser. The HKEX website automatically installs and uses cookies on your browser when you access it. Two kinds of cookies are used on the HKEX website:

Session Cookies: temporary cookies that only remain in your browser until the time you leave the HKEX website, which are used to obtain and store configuration information and administer the HKEX website, including carrying information from one page to another as you browse the site so as to, for example, avoid you having to re-enter information on each page that you visit. Session cookies are also used to compile anonymous statistics about the use of the HKEX website.

Persistent Cookies: cookies that remain in your browser for a longer period of time for the purpose of compiling anonymous statistics about the use of the HKEX website or to track and record user preferences.

The cookies used in connection with the HKEX website do not contain personal data. You may refuse to accept cookies on your browser by modifying the settings in your browser or internet security software. However, if you do so you may not be able to utilise or activate certain functions available on the HKEX website.

Compliance with laws and regulations

HKEX and other members of the Group may be required to retain, process and/or disclose your personal data in order to comply with applicable laws and regulations or in order to comply with a court order, subpoena or other legal process (whether in Hong Kong or elsewhere), or to comply with a request by a government authority, law enforcement agency or similar body (whether situated in Hong Kong or elsewhere) or to perform or discharge the Regulatory Functions. HKEX and other members of the Group may need to disclose your personal data in order to enforce any agreement with you, protect our rights, property or safety, or the rights, property or safety of our employees, or to perform or discharge the Regulatory Functions.

Corporate reorganisation

As we continue to develop our business, we may reorganise our group structure, undergo a change of control or business combination. In these circumstances it may be the case that your personal data is transferred to a third party who will continue to operate our business or a similar service under either this Privacy Policy Statement or a different privacy policy statement which will be notified to you. Such a third party may be located, and use of your personal data may be made, outside of Hong Kong in connection with such acquisition or reorganisation.

Access and correction of personal data

Under the PDPO, you have the right to ascertain whether we hold your personal data, to obtain a copy of the data, and to correct any data that is inaccurate. You may also request us to inform you of the type of personal data held by us. All data access requests shall be made using the form prescribed by the Privacy Commissioner for Personal Data ("**Privacy Commissioner**") which may be found on the official website of the Office of the Privacy Commissioner or via this link <https://www.pcpd.org.hk/english/publications/files/Dforme.pdf>

Requests for access and correction of personal data or for information regarding policies and practices and kinds of data held by us should be addressed in writing and sent by post to us (see the "Contact Us" section below).

A reasonable fee may be charged to offset our administrative and actual costs incurred in complying with your data access requests.

Termination or cancellation

Should your account or relationship with us be cancelled or terminated at any time, we shall cease processing your personal data as soon as reasonably practicable following such cancellation or termination, provided that we may keep copies of your data as is reasonably required for archival purposes, for use in relation to any actual or potential dispute, for the purpose of compliance with applicable laws and regulations and for the purpose of enforcing any agreement we have with you, for protecting our rights, property or safety, or the rights, property or safety of our employees, and for performing or discharging our functions, obligations and responsibilities.

General

If there is any inconsistency or conflict between the English and Chinese versions of this Privacy Policy Statement, the English version shall prevail.

Contact us

By Post:
Personal Data Privacy Officer
Hong Kong Exchanges and Clearing Limited
50/F., One Exchange Square
8 Connaught Place
Central
Hong Kong

By Email:
DataPrivacy@HKEX.COM.HK

Part A General Information of the Respondent

- (1) Please state whether your response represents your personal or your company/entity's view by checking () the boxes below and filling in the information as appropriate:

Company/Entity view

Company/Entity name*:	The Chamber of Hong Kong Listed Companies		
Company/Entity type*:	<input type="checkbox"/> Listed Company	<input type="checkbox"/> HKEX Participant	
	<input type="checkbox"/> Investment Management Firm		
	<input type="checkbox"/> Corporate Finance Firm		
	<input type="checkbox"/> Law Firm	<input type="checkbox"/> Accountancy Firm	
	<input checked="" type="checkbox"/> Professional Body / Industry Association		
	<input type="checkbox"/> None of the above (Type _____)		
Contact person*:	Mr	Mike Wong	
Title:	Chief Executive Officer		
Phone no.*:	21168922	Email address:	mikewong@chkcl.org

Personal view

Respondent's full name*:	Mr/Ms/Mrs	
Phone no.*:		Email address: _____
Among the following, please select the one best describing your position*:		
<input type="checkbox"/> Listed Company Staff	<input type="checkbox"/> HKEX Participant Staff	<input type="checkbox"/> Individual Investor
<input type="checkbox"/> Investment Management Staff	<input type="checkbox"/> Corporate Finance Staff	<input type="checkbox"/> Lawyer
<input type="checkbox"/> Accountant	<input type="checkbox"/> None of the above (Type _____)	

Important note: All fields marked with an asterisk (*) are mandatory. HKEX may use the contact information above to verify the identity of the respondent. Responses without valid contact details may be treated as invalid.

(2) Disclosure of identity

HKEX may publish the identity of the respondent together with Part B of this response to the members of public. Respondents who do not wish their identities to be published should check the box below:

I/We do not wish to disclose my/our identity to the members of the public.





Signature (with Company/Entity Chop if the response represents company/entity view)

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:

<http://www.hkex.com.hk/-/media/HKEX-Market/News/Market-Consultations/2016-Present/August-2018-Review-Structure-to-LC-Decisions/Consultation-Paper/cp201808.pdf>

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

1. Do you agree to revise the current review structure so that decisions of Material Significance made by the Listing Committee will be subject to only one level of review?

Yes

No

Please give reasons for your views.

We support reducing the current review structure to one level - i.e. to abolish the Listing Appeals Committee ("LAC"). Past statistics provided by the Exchange indicate that cases appealed to the LAC have only a low chance of success. Under the current structure, for each appeal case, two rounds of hearings have taken place and each appeal case is fully and objectively heard by two separate committees. It is difficult and rare therefore for a higher level review committee to overturn the decision by the preceding level committee unless obvious error has been made. A two-level review structure therefore is not expeditious and not an effective use of market resources.

2. Do you agree with:

(a) the proposal to establish a new independent review committee to replace the LRC and the LD(R)C respectively and to hear reviews currently conducted by them?

Yes

No

Please give reasons for your views.

We agree that, with the abolition of LAC, the LRC in its new form will become the final review body. However, we have reservations about the proposal that all existing Listing Committee ("LC") members are to be excluded from the new LRC. In fact, for the purpose of ensuring familiarity with Exchange's listing policy objectives and consistency in the standard of decision-making, it is important that existing LC members (who are not involved in the first hearing) shall form the majority membership of the new LRC.

In our views, many of the reasons suggested in the consultation paper (para.76) that existing LC members are not suitable to participate in the review hearing do not stand.

For example, point (a) stated that the system for selecting members (to sit on the LC hearing and on the LRC) does not take into account the level of relevant knowledge, experience or specialisation of the individuals concerned, and hence seems arbitrary. To this, we consider the 28 individuals appointed to the LC all possess the necessary knowledge, experience or specialization that meet the very high selection standard in the first place. Point (b) is only a perception problem. Regarding point (d), it is hard to say some individuals are better than the others, nor we believe there should be such a distinction within the LC. All members join the LC on an equal footing and are equally qualified to sit on the LRC, applying their own knowledge and experience to assess the merits of the appeal case and review the decision made previously. So, there should not be any question about the people handling the review are not senior to the people making the previous decision.

On the other hand, we also have reservations about the idea that the new LRC would be composed of mainly former LC members. First of all, they no longer participate in the deliberation of listing policies or rule changes, as the current LC members do, and as such would be less familiar with the Exchange's current listing policy objectives and their background and rationale. And this is something sheer briefings cannot make up for. Entrusting the final hearing authority to them may produce decisions that are inconsistent with the Exchange's objectives and with the standard currently adopted by the LC. A secondary issue with recruiting mainly former LC members is that it would mean, at least in theory, someone could be sitting on the LC for six years, followed by another six years on the new LRC. This would leave important listing decisions to the same group of people over a period of 12 years, and is not ideal. This might promote linear thinking in listing-related matters and lead to decisions unduly influenced by personal preferences or even biases.

(b) the size and composition of the new independent review committee (including the mix of members' representation)?

Yes

No

Please give reasons for your views.

Based on the reasons set out above, we believe that the new LRC shall continue to be composed of existing LC members in the majority with no less than five to form the quorum. And to allow new perspective and some independence in the review process, we suggest adding two non-existing LC members to the membership composition. The new members could be directors of the HKEX (in doing so, we are combining the old LAC and LRC into one new review body), former LC members for their experience, or seasoned and reputable market professionals with strong legal and financial expertise.

The two new members shall be appointed for a maximum term of three years to ensure refreshing of ideas and perspectives at shorter intervals while the LC members can serve on the new LRC for as long as their LC membership lasts.

3. If the Exchange decides to retain two levels of review for decisions of Material Significance made by the Listing Committee, do you agree that the LAC is to be replaced by a review committee with members being drawn from the proposed new independent review committee and chaired by a member of a separate chairperson panel? Are there any additional process or safeguards that you would suggest to enhance this aspect of the review structure for such decisions of Material Significance?

Yes

No

Please give reasons for your views.

We support keeping one level of review.

4. Do you agree with the proposal to routinely publish decisions of the new Listing Review Committee for non-disciplinary matters on the basis described in paragraphs 102 to 105 of the Consultation Paper?

Yes

No

Please give reasons for your views.

5. The Exchange does not consider that specific consultation is required in relation to the provisions for the SFC's power to request review of decisions as set out in Chapter 5 of the Consultation Paper (as they reflect the MOU and administrative procedures) but would be pleased to receive any comments from respondents.

No further comments.

- End -