

**Submitted via Qualtrics**

**(Anonymous)**

**Personal view**

**Corporate Finance / Bank Staff**

**Question 1**

**Do you agree that an alternative eligibility test should be introduced to enable the listing of high growth enterprises substantively engaged in R&D activities on GEM?**

No

**Please give reasons for your views.**

Only two years track record is not sufficient for R&D development. It's risky without launching of any product.

**Question 2**

**Do you have any comments on the proposed thresholds for the alternative eligibility test as set out in paragraphs 63 to 75 of the Consultation Paper?**

**Please give reasons for your views.**

**Question 3**

**Do you agree with the proposal to reduce the post-IPO 24 month lock-up period imposed on controlling shareholders of GEM issuers to 12 months as set out in paragraph 76 of the Consultation Paper?**

No

**Please give reasons for your views.**

24 month can create higher cost for back door listing or reverse takeover.

**Question 4**

**Should any other existing eligibility requirement for a listing on GEM be amended?**

No

**If so, please state the requirement(s) that should be amended and give reasons for your views.**

**Question 5**

**Do you agree with the proposed consequential and housekeeping amendments to the reverse takeover and extreme transaction Rules as set out in paragraphs 81 and 82 of the Consultation Paper?**

Yes

**Please give reasons for your views.**

To keep it consistently.

**Question 6**

**Do you agree with the Exchange's proposal to remove GEM's compliance officer requirement as set out in paragraph 85(a) of the Consultation Paper?**

Yes

**Please give reasons for your views.**

GEM's directors should be experienced as the directors of Main board listed issuers.

**Question 7**

**Do you agree with the Exchange's proposal to shorten the period of engagement of GEM issuers' compliance advisers and to remove the additional obligations currently imposed on a GEM issuer's compliance adviser as set out in paragraphs 85(b) and 86 of the Consultation Paper?**

Yes

**Please give reasons for your views.**

I agree that the companies under GEM also have long history and those directors are equipped with relevant listing rules knowledge,

**Question 8**

**Should any other continuing obligation currently applicable to a GEM listed issuer also be removed?**

No

**If so, please state the requirement(s) and give reasons for your views.**

**Question 9**

**Do you agree with the Exchange's proposal to remove quarterly financial reporting as a**

**mandatory requirement for GEM issuers and instead introduce it as a recommended best practice in GEM's Corporate Governance Code?**

Yes

**Please give reasons for your views.**

quarterly results are not audited and reviewed, which are not meaningful. However, they should published interim results with review (under auditing standard) by auditor.

**Question 10**

**Do you agree with the Exchange's proposal to align the timeframes for GEM issuers to publish their annual reports, interim reports and preliminary announcements of results for the first half of each financial year with those for the Main Board, as set out in paragraphs 94 and 95 of the Consultation Paper?**

Yes

**Please give reasons for your views.**

To be consistent.

**Question 11**

**Do you agree that a streamlined mechanism should be introduced to enable qualified GEM issuers to transfer their listing to the Main Board?**

Yes

**Please give reasons for your views.**

The vetting time of listing applicants is long and uncertain. After going through the long and uncertain vetting process in order to be successfully listed on GEM, these small and mid-size issuers shall go through this long and uncertain cycle again in order to transfer to the Main Board. This will significantly reduce the incentives and intentions for these small and mid-size issuers to choose Hong Kong as the place for them to raise capital to fund their growth, which totally destroy the purpose of the establishment of the GEM by HKEX.

**Question 12**

**Do you agree with the removal of the requirement for the appointment of a sponsor for the purpose of a streamlined transfer as set out in paragraph 108 of the Consultation Paper?**

Yes

**Please give reasons for your views.**

The vetting time of listing applicants is long and the documents to be inspected are very

comprehensive. I agree that a transfer applicant will have been previously subject to a due diligence process as part of its application for listing on GEM conducted by a sponsor. Also, the transfer applicant will have been subject to mandatory disclosure and audit requirements under the GEM Rules, which includes the requirement that it publish periodic financial information.

**Question 13**

**Do you agree with, for the purpose of a streamlined transfer, the removal of the requirement for a “prospectus-standard” listing document and other requirements as set out in paragraphs 111 to 114 of the Consultation Paper?**

Yes

**Please give reasons for your views.**

In view of the management and shareholder continuity and no change in the principal business, the business is still the same as the date of GEM listing. Comprehensive due diligence was performed by sponsor in the GEM listing process. After listing on GEM, the relevant information such as financial information, business updates are also published as ongoing continuous obligation. Hence, no prospectus-standard listing document should be required.

**Question 14**

**Do you agree with the track record requirements for a streamlined transfer applicant as set out in paragraphs 117 to 118 of the Consultation Paper?**

No

**Please give reasons for your views.**

I think only one full financial year commencing after the date of its initial listing on GEM is enough.

1. sponsor has already performed detailed and comprehensive due diligence, which covered the part of the track record period if the GEM issuers apply for an application of transfer.

2. If the GEM listed issuer meet the requirement of transfer but still need to wait for another three years, it's not fair to them since the time taken to be listed on Main Board for these GEMS listed issuers may be longer than a new Main board listing application directly apply for listing on Main Board. But, both of them can meet the listing requirements.

3. Also, what is the difference of one year and three years requirement? Why GEM listed issuers must wait for another three years, but not two years?

**Question 15**

**Do you agree with the daily turnover and volume weighted average market capitalisation requirements for a streamlined transfer applicant as set out in paragraphs 120 to 133 of the Consultation Paper?**

Yes

**Please give reasons for your views.**

I think it's the responsibility for a listed issuer to keep their shares actively traded, such as making some news announcement or get involved in some social activities to get publicly known etc.

**Question 16**

**Should the Minimum Daily Turnover Threshold for the Daily Turnover Test be set at: -  
Selected Choice**

(b) HK\$50,000

**Please give reasons for your views.**

In view of GEM is more "risky", it's not easy for the GEM issuers to promote their shares.

**Question 17**

**Do you agree with the proposed compliance record requirement for a streamlined transfer applicant as set out in paragraph 134 of the Consultation Paper?**

Yes

**Please give reasons for your views.**

Every listed issuers should comply with listing rules, this is a minimum requirement.

**Question 18**

**Do you agree with the proposed modification to the existing compliance record requirement for a transfer from GEM to the Main Board as set out in paragraph 136 of the Consultation Paper?**

Yes

**Please give reasons for your views.**

**Question 19**

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**Do you agree that the Exchange should exempt GEM transferees to the Main Board from the Main Board initial listing fee?**

No

**Please give reasons for your views.**