

Submitted via Qualtrics

(Anonymous)
Company/Organisation view
GEM Listed Company

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?

Yes

Please give reasons for your views.

The new eligibility test will allow companies with good growth potential but had spent significant amount of expenses in R&D to get listed on GEM. This will not only allow early stage companies of high qualities to gain access to public funds and build good corporate practices and images, but also increase Hong Kong's competitiveness to attract potential Unicorns to set their base or operations here.

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?

No

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?

Yes

Please give reasons for your views.

As stated in paragraph 77 of the Consultation Paper, the initial intention of the extension of post-IPO lock-up period was to address active shell activities which is no longer case now. Reducing the lock-up period to 12 months will encourage investors to invest in GEM board IPOs due to the increased flexibility to trade and hence better potential ROI. This will also make GEM a more attractive option when SMEs consider the exchange to go for listing.

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.

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.

Agree to align this with Main Board Listing Rules.

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.

Agree to align this with Main Board Listing Rules.

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.

Agree to align this with Main Board Listing Rules. This would save cost and time for GEM listed companies and allow them to focus more on business operations and create more value for their shareholders.

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.

Agree to align this with Main Board Listing Rules.

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.

We agree that streamlined transfer mechanism should encourage issuers to list on GEM rather than wait to apply for listing on the Main Board directly. It would also encourage existing GEM listed companies to strive for better results to get listed on the Main Board.

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.

We agree that the transfer applicant has already gone through the due diligence process when it applied for GEM listing. Consistent compliance with the GEM listing rules over a three-year period would be a sufficient to mitigate the risk that a sponsor would address.

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.

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.

We suggest a more favourable standard or discounted level for the three years financial figures requirements for GEM applicants to change to Mainboard. GEM issuers have already gone through GEM listing requirements and been strictly following relevant continuous obligations – indicating a high standard of operation and corporate governance and hence a separate and more reasonable assessment scheme should be designed for GEM issuers.

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?

No

Please give reasons for your views.

As HKEx is a free market, market cap and liquidity are both not under the control of the issuer. Listed company management should focus on Group business and operation to generate maximum value for the shareholders instead of focusing on the market price/trading volume. GEM board reputation and situation have not been attractive to investors and this should be the responsibility of HKEx to get this fixed.

Question 16

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

Please give reasons for your views.

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.

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

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

Yes

Please give reasons for your views.

As a GEM listed company, we welcome the compliance cost reduction for Main Board listing transfer.