

Submitted via Qualtrics

MUNG

Company/Organisation view

Law Firm

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.

Expanding the eligibility test is a positive step towards onboarding corporations who in turn invest in R&D. This is premised upon the assumption that in general, R&D equates value creation in products and/or services. The assumption then may be tested over time by the investor community once the corporation has successfully listed.

What goes hand in hand with such an expansion of eligibility test, we submit, could be more investor education, alert to risks and financial assessment of this category of listed corporations.

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.

To incentivise controlling shareholder(s) who is (are) often the founders of the corporation

Question 4

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

Yes

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

We agree with the removal of the quarterly financial reporting, however, we propose quarterly reporting of the corporation's R&D efforts, progress and milestones.

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.

This allows then for case by case review, which supports the spirit of the high growth fast paced business types.

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.

Reduction of compliance costs.

However, we would propose an ombudsman compliance officer for random compliance checks.

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.

See response to Question 6 thank you

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.

Savings on compliance costs and management resources for R&D

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.

Good enough, corporations need time to prove themselves.

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.

Some degree of certainty would assist the corporations and their investors the milestones needed to chart and achieve their own key performance indicators

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?

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Yes

Please give reasons for your views.

Principally reduction of compliance costs for R&D efforts

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.

Same reason as for Question 12 thank you

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?

Yes

Please give reasons for your views.

Agree with HKEX's rationale on this

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.

No strong views on this

Question 16

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

(c) Another figure (please specify)

Please give reasons for your views.

No strong views, whichever figure will simply be arbitrary

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.

Agree with HKEX's rationale thank you

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.

We would propose the same clean compliance record apply to each of the DIRECTORS and SENIOR MANAGEMENT of the streamlined transfer applicant, meaning criminally charged, personal serious litigation, under investigations, disciplinary actions, and such like

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.

Agree with HKEX's rationale thank you