

Submitted via Qualtrics

Company/Organisation view

Question 1

Do you agree that the subscription and trading of SPAC securities prior to a De-SPAC Transaction should be limited to Professional Investors only (see paragraph 149 of the Consultation Paper)?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 2

Do you agree with the measures proposed in paragraphs 151 to 159 of the Consultation Paper to ensure SPAC's securities are not marketed to and traded by the public in Hong Kong (excluding Professional Investors)?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 3a

Do you consider it appropriate for SPAC Shares and SPAC Warrants to be permitted to trade separately from the date of initial listing to a De-SPAC Transaction?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we support such proposal.

Question 3b

As your answer to question 3a is "No", do you have any alternative suggestions?

Please set out any alternative suggestions below.

Question 4a

Would either Option 1 (as set out in paragraph 170 of the Consultation Paper) or Option 2 as set out in paragraph 171 to 174 of the Consultation Paper) be adequate to mitigate the risks of extraordinary volatility in SPAC Warrants and a disorderly market?

A different option

Please give reasons for your views. Please provide further technical details if you suggest a different option.

Despite our response above, we do not have any views or comments on this Question as to a preferred option.

Question 4b

Do you have any other suggestions to address the risks regarding trading arrangements we set out in the Consultation Paper?

No

Please give any suggestions below:

Question 5

Do you agree that, at its initial offering, a SPAC must distribute each of SPAC Shares and SPAC Warrants to a minimum of 75 Professional Investors in total (of either type) of which 30 must be Institutional Professional Investors?

No

Please give reasons for your views.

We respectfully submit that the proposed requirements to distribute each of the SPAC Shares and SPAC Warrants to a minimum number of Professional Investors and Institutional Professional Investors at listing (the “Minimum PI Requirement”) and to distribute at least 75% of SPAC Shares and SPAC Warrants to Institutional Professional Investors (the “Minimum IPI Requirement”) should not be necessary for the following reasons:

- a. The proposed requirement that only Professional Investors are qualified to be SPAC shareholders until completion of the De-SPAC Transaction (the “PI Requirement”) will to certain extent already have limited the liquidity of the SPAC securities. Given the defined group of prospective Professional Investors in the market that may be interested in the industry focus of a particular SPAC, the Minimum PI Requirement may have substantially exhausted such group of Professional Investors at listing of such SPAC. Coupled with the prescribed threshold that only a limited number of investors could qualify as an Institutional Professional Investor, and the

proposed minimum board lot size of SPAC Shares, the Minimum PI Requirement and Minimum IPI Requirement will overly restrict the maximum stake size that each Professional Investor may acquire at the SPAC listing (the "Listing") and the liquidity of the SPAC securities on an ongoing basis.

b. If it is envisaged that there will be a vast number of SPAC listings on the Exchange, but there is only a defined pool of Professional Investors that are qualified to invest in SPACs before completion of the De-SPAC Transaction, the Minimum PI Requirement could lead to an exhaustion of the number of Professional Investors (and their financial resources) available for investment in the Hong Kong capital markets, considering that Professional Investors also have investment options other than SPACs. In the long-run, this would impact the feasibility of potential SPAC listings on the Exchange if SPACs are unable to locate sufficient number of Professional Investors and/or Institutional Professional Investors to meet the Minimum PI Requirement and Minimum IPI Requirement.

c. As for the vast majority of other listed securities, the distribution spread of SPAC shareholders will improve once secondary trades in the SPAC securities commence after Listing. The proposed 25% public float requirement and the maximum stake size that can be held by the three largest SPAC shareholders will also provide sufficient liquidity measures to ensure an open market to the SPAC securities before the De-SPAC Transaction and on an ongoing basis.

d. There is no PI Requirement, Minimum PI Requirement nor Minimum IPI Requirement in the respective SPAC regimes of the U.S. and U.K. It is our view that the Hong Kong SPAC regime with these proposed requirements will be inherently less competitive and attractive to experienced Promoters and high quality De-SPAC Targets.

Question 6

Do you agree that, at its initial offering, a SPAC must distribute at least 75% of each SPAC Shares and SPAC Warrants to Institutional Professional Investors?

No

Please give reasons for your views.

Please refer to our response to Question 5

Question 7

Do you agree that not more than 50% of the securities in public hands at the time of a SPAC's listing should be beneficially owned by the three largest public shareholders?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 8

Do you agree that at least 25% of the SPAC's total number of issued shares and at least 25% of the SPAC's total number of issued warrants must be held by the public at listing and on an ongoing basis?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 9a

Do you agree that the shareholder distribution proposals set out in paragraphs 181 and 182 of the Consultation Paper will provide sufficient liquidity to ensure an open market in the securities of a SPAC prior to completion of a De-SPAC Transaction?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 9b

Are there other measures that the Exchange should use to help ensure an open and liquid market in SPAC securities?

No

Please set out any suggestions for other measures below.

Question 10

Do you agree that, due to the imposition of restricted marketing, a SPAC should not have to meet the requirements set out in paragraph 184 of the Consultation Paper regarding public interest, transferability (save for transferability between Professional Investors) and allocation to the public?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 11

Do you agree that SPACs should be required to issue their SPAC Shares at an issue price of HK\$10 or above?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 12

Do you agree that the funds expected to be raised by a SPAC from its initial offering must be at least HK\$1 billion?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 13

Do you agree with the application of existing requirements relating to warrants with the proposed modifications set out in paragraph 202 of the Consultation Paper?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 14

Do you agree that Promoter Warrants and SPAC Warrants should be exercisable only after the completion of a De-SPAC Transaction?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 15a

Do you agree that a SPAC must not issue Promoter Warrants at less than fair value?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 15b

Do you agree that a SPAC must not issue Promoter Warrants that contain more favourable terms than that of SPAC Warrants?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 16

Do you agree that the Exchange must be satisfied as to the character, experience and integrity of a SPAC Promoter and that each SPAC Promoter should be capable of meeting a standard of competence commensurate with their position?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 17a

Do you agree that the Exchange should publish guidance setting out the information that a SPAC should provide to the Exchange on each of its SPAC Promoter's character, experience and integrity (and disclose this information in the Listing Document it publishes for its initial offering), including the information set out in Box 1 of the Consultation Paper?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 17b

Is there additional information that should be provided or information that should not be required regarding each SPAC Promoter's character, experience and integrity?

No

Please provide the details of any such information below.

Question 18

Do you agree that the Exchange, for the purpose of determining the suitability of a SPAC Promoter, should view favourably those that meet the criteria set out in paragraph 216 of the Consultation Paper?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 19a

Do you agree that at least one SPAC Promoter must be a firm that holds a Type 6 (advising on corporate finance) and/or a Type 9 (asset management) license issued by the SFC?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 19b

Do you agree that the SFC licensed SPAC Promoter must hold at least 10% of the Promoter Shares?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 20a

Do you agree that, in the event of a material change in the SPAC Promoter or the suitability and/or eligibility of a SPAC Promoter, such a material change must be approved by a special resolution of shareholders at a general meeting (on which the SPAC Promoters and their respective close associates must abstain from voting)?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 20b

Should the trading of a SPAC's securities be suspended and the SPAC return the funds it raised from its initial offering to its shareholders, liquidate and de-list (in accordance with the process set out in paragraphs 435 and 436 of the Consultation Paper) if it fails to obtain the requisite shareholder approval within one month of the material change?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question.

Question 21

Do you agree that the majority of directors on the board of a SPAC must be officers (as defined under the SFO) of the SPAC Promoters (both licensed and non-licensed) representing the respective SPAC Promoters who nominate them?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 22

Do you agree that 100% of the gross proceeds of a SPAC's initial offering must be held in a ring-fenced trust account located in Hong Kong?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to

whether we agree to such proposal.

Question 23

Do you agree that the trust account must be operated by a trustee/custodian whose qualifications and obligations should be consistent with the requirements set out in Chapter 4 of the Code on Unit Trusts and Mutual Funds?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 24

Do you agree that the gross proceeds of the SPAC's initial offering must be held in the form of cash or cash equivalents such as bank deposits or short-term securities issued by governments with a minimum credit rating of (a) A-1 by S&P; (b) P-1 by Moody's Investors Service; (c) F1 by Fitch Ratings; or (d) an equivalent rating by a credit rating agency acceptable to the Exchange?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 25

Do you agree that the gross proceeds of the SPAC's initial offering held in trust (including interest accrued on those funds) must not be released other than in the circumstances described in paragraph 231 of the Consultation Paper?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 26

Do you agree that only the SPAC Promoter should be able to beneficially hold Promoter Shares and Promoter Warrants at listing and thereafter?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 27

Do you agree with the restrictions on the listing and transfer of Promoter Shares and Promoter Warrants set out in paragraphs 241 to 242 of the Consultation Paper?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 28

Do you agree with our proposal to prohibit a SPAC Promoter (including its directors and employees), SPAC directors and SPAC employees, and their respective close associates, from dealing in the SPAC's securities prior to the completion of a De-SPAC Transaction?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 29

Do you agree that the Exchange should apply its existing trading halt and suspension policy to SPACs (see paragraphs 249 to 251 of the Consultation Paper)?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 30

Do you agree that the Exchange should apply new listing requirements to a De-SPAC Transaction as set out in paragraphs 259 to 281 of the Consultation Paper?

No

Please give reasons for your views.

We respectfully submit that an alternative set of listing requirements and procedures as set out below should be applicable to De-SPAC Transactions for the following reasons:

a. We noted that the purpose of the Hong Kong SPAC listing regime is to offer De-SPAC Targets the benefits of shorter lead-time and greater price certainty than a traditional Hong Kong listing. Under the proposed Hong Kong SPAC regime, the De-SPAC Transaction already will be subject to approval by the SPAC shareholders and the exercise of their redemption rights. If all the listing requirements and procedures applicable to an ordinary listing on the Exchange are also imposed upon a De-SPAC Transaction, a proposed listing of a De-SPAC Target through the SPAC regime would essentially be subject to more stringent and burdensome listing requirements as well as a longer timetable than an ordinary listing. These factors will make the proposed Hong Kong SPAC regime substantially less attractive, or to certain extent redundant, to De-SPAC Targets and Promoters.

b. Once listed, the SPAC will be substantially subject to the same set of notifiable transaction and reverse takeovers (“RTO”) requirements under the Listing Rules. For a potential RTO transaction of any company listed on the Exchange, it is subject to consideration by the Exchange in accordance with the parameters set out in HKEx Guidance Letter HKEx-GL78-14 (the “GL78-14”) on whether it will be subject to all new listing requirements and procedures. Given a potential RTO would not by default be subject to all of the new listing requirements and procedures before review by the Exchange, a De-SPAC Transaction should be accorded with similar treatment and procedures.

c. Unlike a company aiming for a prospective listing on the Exchange under the ordinary route where such company can extend its listing timetable until it is able to meet the existing listing requirements, a SPAC listed on the Exchange is subject to the time constraints under the proposed regime to announce and complete the De-SPAC Transaction respectively. The success of a SPAC is primarily driven by the Promoters and their ability to locate potential high quality De-SPAC Targets and complete the De-SPAC Transactions within the prescribed timeframe. Therefore, alternatives from the existing listing requirements and procedures under the Listing Rules should be offered to the SPACs and Promoters so that the choice of high quality De-SPAC Targets available for the Promoters to complete the De-SPAC Transactions within the prescribed timeframe would not be limited to those that are able to strictly comply with the existing listing requirements and procedures.

Our proposal: While we support the Exchange’s view that the proposed SPAC regime should not become a venue for sub-standard businesses or assets to circumvent the listing standards upheld by the Exchange, we propose that where the De-SPAC Transaction and Successor Company are able to meet:

- a. the applicable financial eligibility, three-financial-years management continuity and one-financial-year ownership continuity requirements under the Listing Rules;
- b. satisfactory due diligence by IPO Sponsor(s); and
- c. a satisfactory qualitative review by the Listing Committee of the Exchange as to the suitability of the De-SPAC Target for a listing (as in the case of an “extreme VSA” under GL78-14),

then only a transaction circular under an enhanced disclosure and vetting approach coupled with the required disinterested shareholders’ approval, rather than all the new listing procedures and filings, should be applicable to the De-SPAC Transaction.

Question 31

Do you agree that investment companies (as defined by Chapter 21 of the Listing Rules) should not be eligible De-SPAC Targets?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 32

Do you agree that the fair market value of a De-SPAC Target should represent at least 80% of all the funds raised by the SPAC from its initial offering (prior to any redemptions)?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 33

Should the Exchange impose a requirement on the amount of funds raised by a SPAC (funds raised from the SPAC’s initial offering plus PIPE investments, less redemptions) that the SPAC must use for the purposes of a De-SPAC Transaction?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question.

Question 34

Should a SPAC be required to use at least 80% of the net proceeds it raises (i.e. funds raised from the SPAC's initial offering plus PIPE investments, less redemptions) to fund a De-SPAC Transaction?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question.

Question 35

Do you agree that the Exchange should mandate that a SPAC obtain funds from outside independent PIPE investors for the purpose of completing a De-SPAC Transaction?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 36

Do you agree that the Exchange should mandate that this outside independent PIPE investment must constitute at least 25% of the expected market capitalisation of the Successor Company with a lower percentage of between 15% and 25% being acceptable if the Successor Company is expected to have a market capitalisation at listing of over HK\$1.5 billion?

No

Please give reasons for your views.

We respectfully submit that the proposal for an independent third party PIPE investment to constitute at least 25% of the expected market capitalisation of the Successor Company (or at least 15% if the expected market capitalisation is at least HK\$ 1.5 billion) at completion of the De-SPAC Transaction is a considerably high threshold. This would become a barrier to complete a De-SPAC Transaction, particularly in the case when the Promoters and the De-SPAC Target are able to agree on the minimum cash required to complete the De-SPAC Transaction and the related commercial terms for the benefits of the SPAC shareholders but fail to locate independent third party investors that are willing to take up the proposed required

substantial stakes in the Successor Company due to commercial reasons and prevailing market conditions.

We are of the view that a rigid minimum investment stake by independent third part(ies) should not be imposed for the following reasons:

a. While an independent validation of the valuation of the De-SPAC Target is important to substantiate that it is able to meet the minimum expected market capitalisation listing requirement, adequate safeguard as to a fair evaluation of the De-SPAC Target by the SPAC shareholders will have been afforded by the required shareholders' approval for (and their redemption rights triggered by) the De-SPAC Transaction. While a sizeable independent third party PIPE investment could be an objective valuation of the De-SPAC Target, reliance on such indication as a dominant factor may not be desirable because an independent third party PIPE investor could be overly optimistic in the prospects of the De-SPAC Target or the industry that it operates, leading to over-valuation of the De-SPAC Target that the SPAC shareholders may rely on in considering whether to approve the De-SPAC Transaction.

b. The size of the independent third party PIPE investment is by nature a commercial decision to be negotiated between the Promoters and the owners of the De-SPAC Target, which is primarily driven by the minimum amount of cash required to complete the De-SPAC Transaction and to then grow the Successor Company. Such decision of the Promoters would be cross-checked by the SPAC shareholders that are able to redeem their SPAC securities if they disagree the Promoter's view that the costs for De-SPAC Transaction is beneficial to the SPAC and its shareholders. In such case, the Promoters will be prompted to secure further PIPE investments to bridge the funding gap for completing the De-SPAC Transaction caused by the redemption. A prescribed minimum PIPE investment stake by independent third parties will likely disturb the operation and efficacy of the above sequence of commercial decisions and fund-flow for the interest of the SPAC.

c. The ability of the SPAC to meet the De-SPAC Transaction announcement and completion deadlines of 24 months and 36 months, respectively, from the Listing (or the De-SPAC Transaction timetable generally), could be unduly delayed due to the inability of the SPAC to locate sufficient independent PIPE investments to meet such minimum PIPE size requirement. In the worst case, this could lead to liquidation and delisting of the SPAC. As the respective SPAC regimes of the U.S. and the U.K. do not have such requirement and inherent consequential risk, this could deter Promoters and/or owners of De-SPAC Targets to embark on a Hong Kong SPAC process.

d. The proposed minimum 15% to 25% of the expected market capitalisation of the Successor Company to be represented by the independent PIPE investment could lead to unnecessary dilution of the stakes of the then existing SPAC shareholders and the Promoters,

particularly where the SPAC has sufficient financial resources to fund the De-SPAC Transaction. Such requirement also fails to take into account the amount of cash that the De-SPAC Target/Successor Company will need post completion of the De-SPAC Transaction, in that the mandated minimum independent third party PIPE investments would push the funds available in the market for investment in the Successor Company to the pre-completion stage of the De-SPAC Transaction.

Question 37

Do you agree that at least one independent PIPE investor in a De-SPAC Transaction must be an asset management firm with assets under management of at least HK\$1 billion or a fund of a fund size of at least HK\$1 billion and that its investment must result in it beneficially owning at least 5% of the issued shares of the Successor Company as at the date of the Successor Company's listing?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 38

Do you agree with the application of IFA requirements to determine the independence of outside PIPE investors?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 39

Do you prefer that the Exchange impose a cap on the maximum dilution possible from the conversion of Promoter Shares or exercise of warrants issued by a SPAC?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question.

Question 40

Do you agree with the anti-dilution mechanisms proposed in paragraph 311 of the Consultation Paper?

No

Please give reasons for your views.

While we agree that a cap should be imposed on the maximum dilution possible from the conversion of warrants issued by a SPAC, we propose that the cap on warrant ratio should be relaxed such that a warrant should entitle the holder to at least one half of a SPAC Share upon exercise for the following reasons:

a. SPAC Warrants are essentially incentives offered by the SPAC to compensate IPO investors for lack of return on their investments in the SPAC and the inherent uncertainty in connection with a De-SPAC Transaction. The warrant ratio should be driven by the commercial and marketing decisions of the SPAC and the underwriters in the SPAC Listing. Our proposed warrant ratio would offer flexibility for Promoters and SPACs to market the offering with SPAC Units that align with similar securities in the U.S. and U.K. SPAC markets, where no such cap is imposed.

b. The Promoter Warrants are part of the incentives to attract experienced and reputable Promoters to initiate SPACs in Hong Kong and locate high quality De-SPAC Targets. The Promoter Warrants (under the private placement) also serve the function of prompting and providing a return for the Promoters to fund the initial expenses of the SPAC. A warrant ratio cap of one-third of a SPAC Share that may not reflect the market conditions at the time of the SPAC Listing could discourage Promoters from initiating a SPAC in Hong Kong.

c. Warrants issued by the SPAC are only exercisable after completion of the De-SPAC, and the proposed Hong Kong SPAC regime already has other anti-dilution mechanisms (i.e. no further anti-dilution rights to securities held by the Promoters) to compensate our proposed adjustment to the cap on the warrant ratio, which will have limited dilution impact.

Question 41

Do you agree that the Exchange should be willing to accept requests from a SPAC to issue additional Promoter Shares if the conditions set out in paragraph 312 of the Consultation Paper are met?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 42

Do you agree that any anti-dilution rights granted to a SPAC Promoter should not result in them holding more than the number of Promoter Shares that they held at the time of the SPAC's initial offering?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 43

Do you agree that a De-SPAC Transaction must be made conditional on approval by the SPAC's shareholders at a general meeting as set out in paragraph 320 of the Consultation Paper?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 44

Do you agree that a shareholder and its close associates must abstain from voting at the relevant general meeting on the relevant resolution(s) to approve a De-SPAC Transaction if such a shareholder has a material interest in the transaction as set out in paragraph 321 of the Consultation Paper?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 45

Do you agree that the terms of any outside investment obtained for the purpose of completing a De-SPAC Transaction must be included in the relevant resolution(s) that are the subject of the shareholders vote at the general meeting?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to

whether we agree to such proposal.

Question 46

Do you agree that the Exchange should apply its connected transaction Rules (including the additional requirements set out in paragraph 334) to De-SPAC Transactions involving targets connected to the SPAC; the SPAC Promoter; the SPAC's trustee/custodian; any of the SPAC directors; or an associate of any of these parties as set out in paragraphs 327 to 334 of the Consultation Paper?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 47

Do you agree that SPAC shareholders should only be able to redeem SPAC Shares they vote against one of the matters set out in paragraph 352 of the Consultation Paper?

No

Please give reasons for your views.

We respectfully submit that, as in the respective SPAC regimes of the U.S. and U.K., SPAC shareholders should be able to exercise the redemption rights attached to their SPAC Shares regardless of whether they vote in favour of or against the De-SPAC Transaction for the following reasons:

- a. SPAC shareholders are by nature similar to pre-IPO investors in an ordinary Hong Kong IPO, where such pre-IPO investors are entitled to vote in favor of a proposed listing but at the same time redeem their shares if the relevant investment terms permit them to do so. A shareholder's right to redeem its shares/investment is, to a large extent, a commercial decision and should not be tied to or dictated by its ability to vote in favor or against a listing.

- b. The proposed requirement that only SPAC shareholders voting against a De-SPAC Transaction are entitled to exercise their redemption rights could lead to a distorted impact on the trading price and/or volume of the SPAC Shares, where such SPAC shareholders may prefer to dispose of their SPAC Shares on the market for a speedy liquidation, instead of waiting for the general meeting to vote against the De-SPAC Transaction and going through the redemption procedures.

- c. There should not be a presumption that SPAC shareholders exercising their redemption rights inevitably means that they disagree with the fairness and reasonableness of the terms of

the De-SPAC Transaction. If a SPAC shareholder wishes to redeem its SPAC Shares for reasons other than disapproval of the De-SPAC Transaction, and the only way to facilitate the redemption is to vote against the De-SPAC Transaction, the proposed requirement would indiscriminately increase the shareholders' disapproval rate, and in the worst case lead to a failure, of the De-SPAC Transaction.

d. The additional restrictions on the exercise of redemption rights attached to SPAC Shares would further impact the marketability of SPAC Shares at Listing, and increase the risk of the SPAC in failing to seek shareholders' approval to complete the De-SPAC Transaction.

Question 48

Do you agree a SPAC should be required to provide holders of its shares with the opportunity to elect to redeem all or part of the shares they hold (for full compensation of the price at which such shares were issued at the SPAC's initial offering plus accrued interest) in the three scenarios set out in paragraph 352 of the Consultation Paper?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 49

Do you agree a SPAC should be prohibited from limiting the amount of shares a SPAC shareholder (alone or together with their close associates) may redeem?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 50

Do you agree with the proposed redemption procedure described in paragraphs 355 to 362 of the Consultation Paper?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 51

Do you agree that SPACs should be required to comply with existing requirements with regards to forward looking statements (see paragraphs 371 and 372 of the Consultation Paper) included in a Listing Document produced for a De-SPAC Transaction?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 52

Do you agree that a Successor Company must ensure that its shares are held by at least 100 shareholders (rather than the 300 shareholders normally required) to ensure an adequate spread of holders in its shares?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 53

Do you agree that the Successor Company must meet the current requirements that (a) at least 25% of its total number of issued shares are at all times held by the public and (b) not more than 50% of its securities in public hands are beneficially owned by the three largest public shareholders, as at the date of the Successor Company's listing?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 54

Are the shareholder distribution proposals set out in paragraphs 380 and 382 of the Consultation Paper sufficient to ensure an open market in the securities of a Successor Company or are there other measures that the Exchange should use to help ensure an open market?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question.

Question 55

Do you agree that SPAC Promoters should be subject to a restriction on the disposal of their holdings in the Successor Company after the completion of a De-SPAC Transaction?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 56a

Do you agree that the Exchange should impose a lock-up on disposals, by the SPAC Promoter, of its holdings in the Successor Company during the period ending 12 months from the date of the completion of a De-SPAC Transaction?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 56b

Do you agree that Promoter Warrants should not be exercisable during the period ending 12 months from the date of the completion of a De-SPAC Transaction?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 57

Do you agree that the controlling shareholders of a Successor Company should be subject to a restriction on the disposal of their shareholdings in the Successor Company after the De-SPAC Transaction?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 58

Do you agree that these restrictions should follow the current requirements of the Listing Rules on the disposal of shares by controlling shareholders following a new listing (see paragraph 394 of the Consultation Paper)?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 59

Do you agree that the Takeovers Code should apply to a SPAC prior to the completion of a De-SPAC Transaction?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 60

Do you agree that the Takeovers Executive should normally waive the application of Rule 26.1 of the Takeovers Code in relation to a De-SPAC Transaction, the completion of which would result in the owner of the De-SPAC Target obtaining 30% or more of the voting rights in a Successor Company, subject to the exceptions and conditions set out in paragraphs 411 to 415 of the Consultation Paper?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 61

Do you agree that the Exchange should set a time limit of 24 months for the publication of a De-SPAC Announcement and 36 months for the completion of a De-SPAC Transaction (see paragraph 423 of the Consultation Paper)?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 62

Do you agree that the Exchange should suspend a SPAC's listing if it fails to meet either the De-SPAC Announcement Deadline or the De-SPAC Transaction Deadline (see paragraphs 424 and 425 of the Consultation Paper)?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 63

Do you agree that a SPAC should be able to make a request to the Exchange for an extension of either a De-SPAC Announcement Deadline or a De-SPAC Transaction Deadline if it has obtained the approval of its shareholders for the extension at a general meeting (on which the SPAC Promoters and their respective close associates must abstain from voting) (see paragraphs 426 and 427 of the Consultation Paper)?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 64

Do you agree that, if a SPAC fails to (a) announce / complete a De-SPAC Transaction within the applicable deadlines (including any extensions granted to those deadlines) (see paragraphs 423 to 428 of the Consultation Paper); or (b) obtain the requisite shareholder approval for a material change in SPAC Promoters (see paragraphs 218 and 219 of the Consultation Paper) within one month of the material change, the Exchange will suspend the trading of a SPAC's shares and the SPAC must, within one month of such suspension return to its shareholders (excluding holders of the Promoter Shares) 100% of the funds it raised from its initial offering, on a pro rata basis, plus accrued interest?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to

whether we agree to such proposal.

Question 65

Do you agree that (a) a SPAC must liquidate after returning its funds to its shareholders and (b) the Exchange should automatically cancel the listing of a SPAC upon completion of its liquidation?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 66

Do you agree that SPACs, due to their nature, should be exempt from the requirements set out in paragraph 437 of the Consultation Paper?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 67

Do you agree with our proposal to require that a listing application for or on behalf of a SPAC be submitted no earlier than one month (rather than two months ordinarily required) after the date of the IPO Sponsor's formal appointment?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question as to whether we agree to such proposal.

Question 68

Should the Exchange exempt SPACs from any Listing Rule disclosure requirement prior to a De-SPAC Transaction, or modify those requirements for SPACs, on the basis that the SPAC does not have any business operations during that period?

Yes

Please give reasons for your views.

Despite our response above, we do not have any views or comments on this Question.