

**Submitted via Qualtrics**

**IU Kwan Yuen  
Personal view  
Lawyer**

**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 traditional metrics for evaluating a company's eligibility for listing, such as positive cash flows, may not be representative of the potential and value of companies that are heavily invested in research and development. Many high-tech and biotech companies, for instance, might operate at a loss or with low cash flow in their early years due to heavy R&D investments, but they hold significant growth potential.

**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?**

Yes

**Please give reasons for your views.**

While the emphasis on R&D expenditure as a listing criterion is understood, it may not capture the full spectrum of an enterprise's innovation. Metrics such as patents filed, tech partnerships, and industry awards can offer additional insight. Notably, the Alternative Investment Market (AIM) of the London Stock Exchange doesn't have strict R&D-based listing requirements. Incorporating a broader range of indicators, beyond just financials, might provide a more holistic view of a company's genuine engagement in R&D and its potential for growth.

**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.**

**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.**

**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.**

**Question 8**

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

Yes

**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?**

No

**Please give reasons for your views.**

The removal of mandatory quarterly reporting could reduce burdens on companies. However, frequent financial reporting remains a significant tool for investor trust and transparency. Instead of completely removing quarterly reports, the Exchange could consider a two-tiered system. For instance, more detailed annual report combined with a lighter, scaled quarterly update could strike a balance between reducing administrative burdens and ensuring transparency. The USA's SEC, for example, has pondered similar changes for small-cap companies, if company qualifies as a "smaller reporting company," as defined in Item 10(f)(1) of Regulation S-K, it may choose to prepare the disclosure in the prospectus relying on scaled disclosure requirements for smaller reporting companies in Regulation S-K and in Article 8 of Regulation S-X.

**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.**

**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.**

**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.**

**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?**

Yes

**Please give reasons for your views.**

**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.**

**Question 16**

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

022

(b) HK\$50,000

**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.**