

Part B Consultation Questions

Please indicate your preference by checking the appropriate boxes. Please make your comments by replying to questions below against proposed changes discussed in the Consultation Paper at the hyperlink:

<http://www.hkex.com.hk/eng/newsconsul/mktconsul/Documents/cp2010122.pdf>

Where there is insufficient space provided for your comments, please attach additional pages

A. Presentation

1: Do you prefer the style in Appendix I or in Appendix II?

☐ Appendix I

☒ Appendix II

Please explain your reasons.

The proposed drafting in Appendix II has already adopted plainer language and is good enough for readers to understand the contents. I prefer using the pronouns the "Exchange" and the "Applicant" to using "we" and "you". It is because the readers may not necessarily be the applicant. Readers may well be professional advisers (eg lawyers and professional accountants) and may even be the professional investors themselves. I consider that the style in Appendix II should be adopted.

2: Do you agree that the expression "debt issues to professional investors only" should replace "selectively marketed securities" to more clearly indicate the intended scope of the Rules?

☒ Yes

☐ No

Please explain your reasons.

The proposed expression is clearer.

B. Eligibility Requirements

- 3: Do you agree that professional investors should be defined by reference to the SFO as proposed?

☒ Yes

☐ No

Please explain your answer.

Yes, I agree with the proposal. However, the proposed definition is not very clear. Since the definition of "professional investor" also include the persons as prescribed in section 3 of the Securities and Futures (Professional Investor) Rules, Cap 571D, I think the proposed definition should be expanded to make it clearer.

Please see my mark up on the definition of "professional investor" in the Attachment for your consideration.

- 4: Do you agree with the eligibility standards in proposed Rules 37.03 to 37.25?

☒ Yes

☐ No

If not, please explain how you would change them

N/A

- 5: Should applicants be required to deposit their issues into overseas settlement systems to further ensure that they will not be acquired by retail investors in the secondary market?

☐ Yes

☐ No

Please explain your answer.

As I am not quite sure with the answer, I have no comment for this question.

6: Should there be a minimum board lot size for products?

- ☐ Yes. The minimum board lot size should be
 - ☐ HK\$1,000,000
 - ☐ HK\$500,000
 - ☐ Other amount (*please specify*): HK\$_____
- ☐ No

C. Listing Approval

7: Do you agree with the proposed listing approval authority discussed in paragraph 31 of the Consultation Paper?

- ☒ Yes
- ☐ No

If not please explain how you would revise the approval authority.

N/A

D. Listing Documents

8: Do you agree with the proposed content requirements in proposed Rules 37.26 to 37.33?

- ☒ Yes
- ☐ No

Please explain your answer.

I generally agree with the proposal as set out in paragraphs D37 to D40.

9: Should we retain any of the current disclosure requirements we propose to delete?

☒ Yes

☐ No

If you answered no please provide details.

F. Application Vetting

10: Do you agree with our proposal to continue vetting applications for compliance with listing eligibility standards?

☒ Yes

☐ No

Please explain your answer.

I generally agree with the proposal set out in paragraphs E41 to E43.

11: Do you agree with our proposal to vet listing documents to ensure they include responsibility and disclaimer statements in prescribed forms, statements limiting distribution to professional investors and any other information required by the Exchange?

☒ Yes

☐ No

Please explain your answer.

I generally agree with the proposal set out in paragraph E44.

12: Do you agree with our proposal not to vet the other detailed contents of listing documents?

☐ Yes

☐ No

Please explain your answer.

As I am not quite sure with this answer, I have no comment on this question.

F. Application Procedures

13: Do you agree with the proposals in respect of application procedures?

☒ Yes

☐ No

If you do not agree please indicate how you would change them.

N/A

G. Continuing Obligations

14: Do you agree with the proposed continuing obligations set out in proposed Rules 37.44 to 37.57?

☒ Yes

☐ No

Please explain your answer.

I generally agree with the proposal.

15: Should we retain any of the current continuing obligations that we propose to delete?

☐ Yes. Please provide details of the requirements

☒ No

H. Other Issues

16: Should eligibility under the GEM Rules be limited to companies already listed on GEM?

☒ Yes

☐ No

Please explain your answer.

17: Should any other provisions in the Listing Rules be included in Chapter 37?

☐ Yes. Please provide details of the requirements

☒ No

18: Should any other consequential changes be made to the Rules?

☐ Yes. Please provide details of the requirements

☒ No

19: Are there are any other comments you would like to make?

☒ Yes

☐ No

If your answer is “Yes” please elaborate your views.

Please see my comments on the Attachment.