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Thank you for taking the time to respond to the **Conclusions and Further Consultation Paper on Proposals to Optimise IPO Price Discovery and Open Market Requirements** (Conclusions and Further Consultation Paper)

Please state whether your response represents the view of your company/organisation or your personal view:

☒ **Company/Organisation view**

☐ Personal view

☐

Please provide the following information about your company/organisation. A statement on HKEX's privacy policy is set out in Appendix IX to the Consultation Paper.

Company/Organisation Name*:

[REDACTED]

☐

Company/Organisation Type*:

- ☐ Accounting Firm
- ☐ Corporate Finance Firm / Bank
- ☐ HKEX Participant
- ☐ Law Firm
- ☐ Listed Company
- ☐ Investment Firm / Asset Manager Focusing on Private Equity
- ☐ Investment Firm / Asset Manager Focusing on Public Equity
- ☒ **Professional Body / Industry Association**
- ☐ Prospective Listing Applicant
- ☐ Others (please specify)

Contact Person*:

- ☒ **Mr.**
- ☐ Miss
- ☐ Ms.
- ☐ Mrs.
- ☐ Mx.

Name*:

[REDACTED]

Job Title:

[REDACTED]

Phone Number*:

Email Address*:

Important note: All fields marked with an asterisk (*) are mandatory. HKEX may use the contact information above to verify the identity of the respondent. Responses without valid contact details may be treated as invalid.

O

Disclosure of identity HKEX may publish your identity together with your response. Respondents who do NOT wish their identities to be published should check the box below; otherwise, please click "Next":

☒ **I/We do NOT wish to disclose my/our identity to the members of the public.**

Question 1.1

O

Do you agree with the proposal to implement the Alternative Threshold, which will provide an alternative ongoing public float threshold for issuers in addition to the Initial Prescribed Threshold (as set out in paragraphs 310 to 312 of the Conclusions and Further Consultation Paper)?

☒ **Yes**

☐ No

Please give reasons for your views and any alternative suggestions.

Question 1.2

Do you agree with the proposed threshold figures (i.e. HK\$1 billion and 10%) for the Alternative Threshold (as set out in paragraph 312 of the Conclusions and Further Consultation Paper)?

☒ **Yes**

☐ No

Please give reasons for your views and any alternative suggestions.

Question 1.3

Do you agree that for the purpose of determining whether the market value of shares held by the public meets the market value limb of the Alternative Threshold, the market value of an issuer's shares will be determined on a rolling basis by multiplying (a) the number of shares held by the public as of the date of determination by (b) the volume weighted average price of the shares listed on the Exchange over 125 trading days immediately prior to the date of determination (as set out in paragraph 316 of the Conclusions and Further Consultation Paper)?

☒ Yes

☐ No

Please give reasons for your views and any alternative suggestions.

Question 1.4

Do you agree that a listed issuer would not be able to rely on the Alternative Threshold if the issuer's shares have traded for fewer than 125 trading days since listing on the Exchange?

☒ Yes

☐ No

Please give reasons for your views and any alternative suggestions.

Question 1.5

Do you agree that, in the case of an issuer seeking to switch from relying on the Initial Prescribed Threshold to the Alternative Threshold, if its listed shares have been suspended from trading for more than five consecutive business days during the 125-trading-day period for determination of the market value of shares, the Exchange may require the issuer to extend the 125-day period to demonstrate that it can meet the Alternative Threshold over a reasonable period after resumption of trading?

☒ **Yes**

☐ No

Please give reasons for your views and any alternative suggestions.

Question 1.6

Do you agree that the same ongoing public float requirements that apply to Main Board issuers should be applied to GEM issuers?

☒ Yes

☐ No

Please give reasons for your views and any alternative suggestions.

For the purpose of this question, please refer to the table below for the ongoing public float requirements for Main Board issuers.

Question 2.1

O

Do you agree with the proposed bespoke ongoing public float threshold figures (i.e. HK\$1 billion or 5%) for a PRC issuer with other listed shares (such as an A+H issuer) (as set out in paragraph 341 of the Conclusions and Further Consultation Paper)?

☒ Yes

☐ No

O

Please give reasons for your views and any alternative suggestions.

Question 2.2

Do you agree that the bespoke ongoing public float thresholds for PRC issuers with other listed shares should also apply (as modified) to non-PRC issuers with shares listed on a PRC stock exchange (e.g. RMB shares), if those shares are in the same class as, but are not fungible with, the shares listed on the Exchange (as set out in paragraph 342 of the Conclusions and Further Consultation Paper)?

☒ **Yes**

☐ No

Please give reasons for your views and any alternative suggestions.

Question 3.1

Do you agree with the proposal that all issuers be required to confirm, in their monthly returns and annual reports, whether they have met their applicable Ongoing Public Float Thresholds?

☒ **Yes**

☐ No

Please give reasons for your views and any alternative suggestions.

Question 3.2

Do you agree with the proposal that issuers relying on the Initial Prescribed Threshold must disclose the minimum percentage threshold applicable to them in their monthly returns (as set out in paragraph 352(a)) of the Conclusions and Further Consultation Paper)?

☒ Yes

☐ No

Please give reasons for your views and any alternative suggestions.

☐

Question 3.3(a)

Do you agree with the proposal that issuers relying on the Alternative Threshold must disclose, in their monthly returns, the market value and percentage of the portion of the class of shares they have listed on the Exchange that are held by the public (as set out in paragraph 352(b) of the Conclusions and Further Consultation Paper)?

☐

☒ Yes

☐ No

Please give reasons for your views and any alternative suggestions.

Question 3.3(b)

Do you agree with the proposal that PRC issuers with other listed shares (e.g. A+H issuers) relying on the market value limb of the relevant bespoke ongoing public float threshold must disclose, in their monthly returns, the market value and percentage of the portion of the class of shares they have listed on the Exchange that are held by the public (as set out in paragraph 352(b) of the Conclusions and Further Consultation Paper)?

☒ Yes

☐ No

Please give reasons for your views and any alternative suggestions.

Question 3.4

Do you agree with the proposal that all issuers also be required to disclose, in each of their annual reports, the relevant information proposed to be included in their monthly returns (see paragraph 352 of the Conclusions and Further Consultation Paper), as at the end of the relevant financial year?

☒ Yes

☐ No

Please give reasons for your views and any alternative suggestions.

Question 3.5

Do you agree with the proposed disclosure obligations in relation to share capital structure information in annual reports for all issuers (as set out in paragraph 354 of the Conclusions and Further Consultation Paper)?

☒ Yes

☐ No

☐

Please give reasons for your views and any alternative suggestions.

Question 4.1

☐

Do you agree that the additional obligations we propose to apply to issuers if their public float falls below the applicable Ongoing Public Float Threshold (as set out in paragraph 360 of the Conclusions and Further Consultation Paper) are sufficient to:

(a) enable continued trading of the issuer's shares (on the basis that the proposal would enable sufficient information to be provided to potential investors and existing shareholders); and

(b) incentivise relevant issuers to restore their public float to meet the applicable Ongoing Public Float Threshold as soon as practicable?

☒ **Yes**

☐ No

Please give reasons for your views and any alternative suggestions.

Question 4.2

Do you agree with the proposed disclosure requirement for the initial announcement to be made by an issuer with a public float shortfall within one business day of it becoming aware that there is a public float shortfall (as set out in paragraph 360(b) of the Conclusions and Further Consultation Paper), including the proposed requirement that the issuer must also announce its plan and expected timeline to restore to the applicable Ongoing Public Float Threshold, which can be announced in a subsequent announcement that must be published no later than 15 business days of it becoming aware that there is a public float shortfall?

☒ Yes

☐ No

Please give reasons for your views and any alternative suggestions.

Question 4.3

Do you agree that if an issuer's public float falls below the applicable Ongoing Public Float Threshold, it must provide monthly updates, by way of announcement, to notify the market of the status of its public float and updates on its restoration plan (as set out in paragraph 360(c) of the Conclusions and Further Consultation Paper)?

☒ **Yes**

☐ No

Please give reasons for your views and any alternative suggestions.

Question 4.4

Do you agree that, for so long as an issuer does not comply with the applicable Ongoing Public Float Threshold, the issuer itself, and each of its directors, must not (and each director must use his best endeavours to ensure that his close associates do not) take any action that may further lower the issuer's public float percentage, unless the circumstances are exceptional (as set out in paragraph 360(d) of the Conclusions and Further Consultation Paper)?

☒ **Yes**

☐ No

Please give reasons for your views and any alternative suggestions.

Yes but we would like to add that while the issuer, directors and major shareholders would be in the know of their obligation not to further lower the issuer's public float percentage, their associates' actions are sometimes beyond their control or even knowledge. Directors and major shareholders can only advise their close associates on a best effort basis.

Question 4.5

Do you agree that shares of issuers with a public float below the applicable Ongoing Public Float Threshold can be traded without a special stock marker, as long as such public float shortfall does not constitute a Significant Public Float Shortfall (as set out in paragraph 363 of the Conclusions and Further Consultation Paper)?

☒ Yes

☐ No

Please give reasons for your views and any alternative suggestions.

Question 4.6

Do you agree that, instead of suspension, issuers with a Significant Public Float Shortfall should be identified with a special stock marker and subject to heightened disclosure requirements and a delisting mechanism (as set out in paragraphs 361 to 369 of the Conclusions and Further Consultation Paper), such that there can be continued trading in the issuer's shares?

☒ **Yes**

☐ No

Please give reasons for your views and any alternative suggestions.

We agree to

Question 4.7(a)

Do you agree with the proposed Significant Public Float Shortfall thresholds (as set out in paragraphs 364 to 366 of the Conclusions and Further Consultation Paper)?

☒ **Yes**

☐ No

Please give reasons for your views and any alternative suggestions.

Question 4.7(b)

Do you agree with the proposed delisting mechanism for issuers with a Significant Public Float Shortfall (as set out in paragraph 368 of the Conclusions and Further Consultation Paper)?

☐ Yes

☒ No

Please give reasons for your views and any alternative suggestions.

We disagree that GEM issuers be allowed a shorter period of 12 months than the 18 months for Main Board issuers. One can argue it may be harder for a smaller GEM issuer to undertake corporate transactions such as share placement to raise the percentage of public float. All issuers should be allowed 18 months to rectify their shortfall situation.

☐

Question 4.7(c)

Do you agree with the proposed additional disclosure obligations for issuers with a special stock marker (as set out in paragraph 369 of the Conclusions and Further Consultation Paper)?

☐

☒ Yes

☐ No

Please give reasons for your views and any alternative suggestions.

Question 4.7(d)

Do you agree with the proposed conditions for removal of the special stock marker (as set out in paragraph 370 of the Conclusions and Further Consultation Paper)?

☒ **Yes**

☐ No

Please give reasons for your views and any alternative suggestions.

Question 5

Do you agree that the proposed ongoing public float requirements be applied to all existing listed issuers?

☒ **Yes**

☐ No

Please give reasons for your views and any alternative suggestions.

Question 6.1

Do you agree with our proposal to retain the current practice of granting a timing-relief waiver to an issuer from the ongoing public float requirement for a reasonable period after a general offer to restore the public float (as set out in paragraph 391 of the Conclusions and Further Consultation Paper)?

☒ **Yes**

☐ No

Please give reasons for your views and any alternative suggestions.

☐

We are in support of allowing reasonably sufficient time for an issuer to restore the public float after a general offer. But we are conscious that in general offer situations, the public float shortfall is not caused by the issuer or its directors, rather it is the effect of an external offer process initiated and controlled by the offeror. The offeror, therefore, shall be responsible for any resulting public float compliance issue. We therefore recommend that: (a) the public float restoration regime under general offer situations shall be in line with the normal restoration mechanism as proposed under paragraph 360 of this Consultation Paper with the same restoration timeline, reporting and disclosure requirements and compliance mechanisms to post-general offer situations; (b) the obligation to restore the public float "as soon as possible" following completion of the general offer (if the issuer is to remain listed) should be on the offeror but not the issuer or its directors. Disciplinary actions concerning offer-related public float shortfall if any, shall be directed against the offeror, but not the issuer or its directors.

☐

Question 6.2

If your answer to Question 6.1 is “yes”, do you agree that such a timing-relief waiver from the ongoing public float requirement should not be granted to the issuer if the public float shortfall upon completion of the general offer is considered as a Significant Public Float Shortfall (as set out in paragraph 391 of the Conclusions and Further Consultation Paper)?

☐ Yes

☒ **No**

Please give reasons for your views and any alternative suggestions.

Please see our answer to Q6.1 above.

Please provide your overall comments (if any) regarding the Conclusions and Further Consultation Paper which have not been covered in the questions above.

You have completed the questionnaire questions for this consultation but not yet submitted the same.

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2. Once you click "Next" at the bottom of this page, you will be taken to a preview page that summarises your responses (Response Summary Page) where you will be able to download a response summary in PDF format. Please note NO further amendments to your responses can be made on the Response Summary Page. You have to click "Submit" at the bottom of the Response Summary Page to submit your responses. An acknowledgement of receipt will pop up once you have successfully submitted your responses.

3. You may contact consultationsupport@hkex.com.hk if you have any questions. Please specify the email address, contact person and phone number you have provided in this questionnaire.