

Hong Kong Exchanges and Clearing Limited
8/F, Two Exchange Square
8 Connaught Place
Central, Hong Kong

By Email

30 September 2025

Subject: Response to the Further Consultation on Ongoing Public Float Requirements (the “Consultation”) published by Hong Kong Exchanges and Clearing Limited (“HKEX” or the “Stock Exchange”)

Dear Sir/Madam,

We, [REDACTED], hereby enclose the following response to the Consultation for your consideration.

We appreciate the HKEX's efforts to review and refine the current requirements for Ongoing Public Float for listed issuers. We have carefully reviewed the Consultation and provided our insights based on our experience in the capital markets. We look forward to the opportunity to have further discussions with you if needed.

Unless otherwise indicated, the terms used in this response shall have the same meanings as those defined in the Consultation.

We kindly request that our name not be disclosed in the consultation conclusions to be published by HKEX.

Should you have any questions in relation to the above, please do not hesitate to contact

[REDACTED]

Yours faithfully,

[REDACTED]

A. Proposed Ongoing Public Float Thresholds

No.	Questions and Response
1.1	<p>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 Consultation)?</p> <p>Please give reasons for your views and any alternative suggestions.</p>
■■■■	<p>Agree. We welcome HKEx's proposal to introduce an alternative threshold which provides large size issuers greater flexibility for transactions such as repurchase after listing and is easy to follow. We note however large market cap issuers (> HK\$45 billion) may not have the benefit of the Alternative Threshold, given their lowest public float threshold will be whatever was granted by HKEx upon listing.</p>
1.2	<p>If your answer to Question 1.1 is "yes", 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 Consultation)?</p> <p>Please give reasons for your views and any alternative suggestions.</p>
■■■■	<p>Agree.</p>
1.3	<p>If your answer to Question 1.1 is "yes", 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 <u>rolling basis</u> by multiplying:</p> <p>(a) the number of shares held by the public as of the date of determination by</p> <p>(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 Consultation)?</p> <p>Please give reasons for your views and any alternative suggestions.</p>
■■■■	<p>Agree. The calculation using a rolling basis of 125-day above smooths out short-term volatility and avoids distortions from temporary price or volume spikes or drops, providing a more stable and meaningful public float level of the issuer.</p>
1.4	<p>If your answer to Question 1.1 is "yes", 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?</p> <p>Please give reasons for your views and any alternative suggestions.</p>
■■■■	<p>Agree. Issuers should comply with the public float threshold upon listing for a certain time period and 125 trading days is reasonable.</p>

No.	Questions and Response
1.5	<p>If your answer to Question 1.1 is “yes”, 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?</p> <p>Please give reasons for your views and any alternative suggestions.</p>
<div data-bbox="221 577 300 611">■■■</div> <div data-bbox="221 611 300 645">■■■</div>	<p>Agree. Extending the period will help to minimise fluctuation in trading price and fairer to the issuer.</p>
1.6	<p>Do you agree that the same ongoing public float requirements that apply to Main Board issuers should be applied to GEM issuers?</p> <p>Please give reasons for your views and any alternative suggestions.</p>
<div data-bbox="221 801 300 835">■■■</div> <div data-bbox="221 835 300 869">■■■</div>	<p>Agree.</p>

B. PRC Issuers with Other Listed Shares (e.g. A+H Issuers)

No.	Questions and Response
2.1	<p>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 Consultation)?</p> <p>Please give reasons for your views and any alternative suggestions.</p>
■■■ ■■■	Agree.
2.2	<p>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 Consultation)?</p> <p>Please give reasons for your views and any alternative suggestions.</p>
■■■ ■■■	Agree.

C. Regular Public Float Reporting

No.	Questions and Response
3.1	<p>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?</p> <p>Please give reasons for your views and any alternative suggestions.</p>
<div data-bbox="220 519 300 591"> <div></div> <div></div> </div>	Agree.
3.2	<p>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 Consultation)?</p> <p>Please give reasons for your views and any alternative suggestions.</p>
<div data-bbox="220 781 300 853"> <div></div> <div></div> </div>	Agree.
3.3	<p>Do you agree with the proposal that the following types of issuers 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 Consultation):</p> <ul style="list-style-type: none"> (a) issuers relying on the Alternative Threshold; and (b) 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? <p>Please give reasons for your views and any alternative suggestions.</p>
<div data-bbox="220 1207 300 1279"> <div></div> <div></div> </div>	Agree.
3.4	<p>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 Consultation), as at the end of the relevant financial year?</p> <p>Please give reasons for your views and any alternative suggestions.</p>
<div data-bbox="220 1512 300 1583"> <div></div> <div></div> </div>	Agree.
3.5	<p>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 Consultation)?</p> <p>Please give reasons for your views and any alternative suggestions.</p>
<div data-bbox="220 1774 300 1845"> <div></div> <div></div> </div>	Agree.

D. Public Float Shortfalls

No.	Questions and Response
4.1	<p>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 Consultation) are sufficient to:</p> <p>(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</p> <p>(b) incentivise relevant issuers to restore their public float to meet the applicable Ongoing Public Float Threshold as soon as practicable?</p> <p>Please give reasons for your views and any alternative suggestions.</p>
<div></div> <div></div>	Agree.
4.2	<p>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 Consultation), 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?</p> <p>Please give reasons for your views and any alternative suggestions.</p>
<div></div> <div></div>	Agree.
4.3	<p>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 Consultation)?</p> <p>Please give reasons for your views and any alternative suggestions.</p>
<div></div> <div></div>	Agree.
4.4	<p>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 Consultation)?</p> <p>Please give reasons for your views and any alternative suggestions.</p>
<div></div> <div></div>	Agree. To avoid further non-compliance, we propose potentially to extend such restrictions to all the core connected persons, including the substantial shareholders, chief executives and supervisor (for PRC issuers) of the issuers.

No.	Questions and Response
4.5	<p>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 Consultation)?</p> <p>Please give reasons for your views and any alternative suggestions.</p>
■■■ ■■■	Agree.
4.6	<p>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 Consultation), such that there can be continued trading in the issuer's shares?</p> <p>Please give reasons for your views and any alternative suggestions.</p>
■■■ ■■■	Agree.
4.7	<p>If your answer to Question 4.6 is "yes", do you agree with:</p> <p>(a) the proposed Significant Public Float Shortfall thresholds (as set out in paragraphs 364 to 366 of the Consultation);</p>
■■■ ■■■	Agree.
4.7	<p>(b) the proposed delisting mechanism for issuers with a Significant Public Float Shortfall (as set out in paragraph 368 of the Consultation);</p>
■■■ ■■■	Agree.
4.7	<p>(c) the proposed additional disclosure obligations for issuers with a special stock marker (as set out in paragraph 369 of the Consultation); and</p>
■■■ ■■■	Agree.
4.7	<p>(d) the proposed conditions for removal of the special stock marker (as set out in paragraph 370 of the Consultation)?</p>
■■■ ■■■	Agree.

E. Scope of Application

No.	Questions and Response
5.	<p>Do you agree that the proposed ongoing public float requirements be applied to all existing listed issuers?</p> <p>Please give reasons for your views and any alternative suggestions.</p>
<div>████</div> <div>████</div>	Agree.

F. Offers under the Takeovers Code

No.	Questions and Response
6.1	<p>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 Consultation)?</p> <p>Please give reasons for your views and any alternative suggestions.</p>
■■■ ■■■	Agree.
6.2	<p>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 Consultation)?</p> <p>Please give reasons for your views and any alternative suggestions.</p>
■■■ ■■■	Agree.