

Dear Anna,

Please see below our reply. Thank you.

Anastasia

Question 1

We agree with the proposed alternative threshold. The total market cap of all equity securities on the Exchange increased by 47% at the end of Aug 2025 from the same period last year. The alternative will provide the issuers of larger market cap the flexibility to conduct corporate actions.

We agree with the proposed threshold figure of HK\$1 billion market value. According to the mainboard listing rules 8.05(2) and 8.05(3), a new applicant should have a market cap of HK\$ 2 and HK\$ 4 billion, respectively. The figure is at a reasonable level.

The methodology on a rolling basis over 125 trading days can even out the outliers and give a fairer basis. To apply for the alternative, we suggest a minimum of 1 year of listing history. The alternative can be applied to GEM issuers as long as they meet the same conditions.

Question 4

We agree with the dispensation if the float does not constitute a Significant Shortfall. This will provide the flexibility for the issuers to engage in corporate actions and restore the float.

For the delisting, we suggest 1 year for both the issuers on the mainboard and GEM. If issuers cannot restore the float within 1 year, it might be more cost efficient if issuers do not need to maintain the listing status.

Others

Additionally, we like to share some observations regarding capital management. Long term and stable capital is attracted to quality return on equity. Although HK issuers do aim to improve shareholder's value, ROE in general remains at a relatively low level.

For instance, a local market leader bank hovered below 10% while a global F&B produced 30%+ for the past 10 years. Perhaps senior management can pay more attention to this metric. Perhaps there can be a designated person to focus on communicating with investors holistically.

[REDACTED]
