

## Part B Consultation Questions

Please reply to the questions below that are raised in the Concept Paper downloadable from the HKEX website at:

<http://www.hkex.com.hk/eng/newsconsul/mktconsul/Documents/cp2017061.pdf>

Please indicate your preference by checking the appropriate boxes.

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

1. What are your views on the need for Hong Kong to seek to attract a more diverse range of companies and, in particular, those from New Economy industries to list here? Do you agree that the New Board would have a positive impact on Hong Kong's ability to attract additional New Economy issuers to our market?

Please give reasons for your views.

Yes, Hong Kong is well suited to attract tech companies who have exposure to china and also, in many situations, most new economy issuers would not be generating profits before listing similar to Nasdaq since that would not be the feasible business strategy due to reinvestment of funds

2. What are your views on whether the targeted companies should be segregated onto a New Board, rather than being included on the Main Board or GEM?

Please give reasons for your views.

Yes, I agree, there are different criterias that define a New Economy company which doesn't fit the main board or gem criterias

3. If a New Board is adopted, what are your views on segmenting the New Board into different segments according to the characteristics described in this paper (e.g. restriction to certain types of investor, financial eligibility etc.)? Should the New Board be specifically restricted to particular industries?

Please give reasons for your views.

I think the new board should be restricted to innovative tech companies and that it should be accredited investors for the really early stage start ups. It has to show traction for early stage start ups if not investors would not invest in these companies.

4. What are your views on the proposed roles of GEM and the Main Board in the context of the proposed overall listing framework?

Please give reasons for your views.

GEM will be more geared towards traditional companies.

5. What are your views on the proposed criteria for moving from New Board PRO to the other boards? Should a public offer requirement be imposed for companies moving from New Board PRO to one of the other boards?

Please give reasons for your views.

It should not be required due to the substantial costs and time consuming procedures involved since it was done in the first place.

6. What are your views on the proposed financial and track record requirements that would apply to issuers on New Board PRO and New Board PREMIUM? Do you agree that the proposed admission criteria are appropriate in light of the targeted investors for each segment?

Please give reasons for your views.

I think the new board pro should be slightly more stringent to show revenues at least so that investors would invest into it. It has to generate a high enough P/E that cannot be achieved elsewhere easily. The new board premium is sufficient.

7. What are your views on whether the Exchange should reserve the right to refuse an application for listing on New Board PRO if it believes the applicant could meet the eligibility requirements of New Board PREMIUM, GEM or the Main Board?

Please give reasons for your views.

I don't think that should be the case, there might be other reasons why the company would want to list on the new board pro. The onus should be back on the company.

8. What are your views on the proposed requirements for minimum public float and minimum number of investors at listing? Should additional measures be introduced to ensure sufficient liquidity in the trading of shares listed on New Board PRO? If so, what measures would you suggest?

Please give reasons for your views.

I believe these are sufficient. To ensure liquidity, have to connect outside international investors into the New Board PRO rather than retail accredited investors.

9. What are your views on whether companies listed on a Recognised US Exchange that apply to list on the New Board should be exempted from the requirement to demonstrate that they are subject to shareholder protection standards equivalent to those of Hong Kong? Should companies listed elsewhere be similarly exempted?

Please give reasons for your views.

They should not be given an exemption

10. What are your views on whether we should apply a “lighter touch” suitability assessment to new applicants to New Board PRO? If you are supportive of a “lighter touch” approach, what relaxations versus the Main Board’s current suitability criteria would you recommend?

Please give reasons for your views.

I would suggest that a lighter touch should apply but that listing and delisting are spelt out clearly. Also, new board premium should not be subjected to year on year of growing profits for suitability as tech companies have to reinvest funds .

11. What are your views on whether the New Board PRO should be restricted to professional investors only? What criteria should we use to define a professional investor for this purpose?

Please give reasons for your views.

I think the new board pro should not be restricted to professional investors.

12. Should special measures be imposed on Exchange Participants to ensure that investors in New Board PRO-listed securities meet the eligibility criteria for both the initial placing and secondary trading?

Yes

No

Please give reasons for your views.

The onus should be on the investors to determine the eligibility of the company and besides new financial innovations would make this criteria obsolete.

13. What are your views on the proposal for a Financial Adviser to be appointed by an applicant to list on New Board PRO, rather than applying the existing sponsor regime? If you would advocate more prescriptive due diligence requirements, what specific requirements would you recommend be imposed?

Please give reasons for your views.

I think a start up company company would not be able to provide that much due diligence as expected for public scrutiny since the amount raised is relatively small 50 million hkd. Otherwise they can find investors willing to provide funding at a higher valuation.

14. What are your views on the proposed role of the Listing Committee in respect of each segment of the New Board?

Please give reasons for your views.

I think that it becomes very subjective as to what constitutes a New Economy and what will be approved.

15. Do you agree that applicants to listing on New Board PRO should only have to produce a Listing Document that provided accurate information sufficient to enable professional investors to make an informed investment decision, rather than a Prospectus? If you would advocate a more prescriptive approach to disclosure, what specific disclosures would you recommend be required?

Yes

No

Please give reasons for your views.

There's not point to provide a prospectus when the company most probably have not achieved scale yet or have just reached market fit.

16. What are your views on the proposed continuous listing obligations for the New Board? Do you believe that different standards should apply to the different segments?

Please give reasons for your views.

I don't think there should be continous listing obligations as that distracts from the day to day.The reporting should be every 6 months basis.

17. For companies that list on the New Board with a WVR structure, should the Exchange take a disclosure-based approach as described in paragraph 153 of this Concept Paper? Should this approach apply to both segments of the New Board?

Please give reasons for your views.

Yes both segments should allow for WVR structure.

18. If, in addition, you believe that the Exchange should impose mandatory safeguards for companies that list on the New Board with a WVR structure, what safeguards should we apply? Should the same safeguards apply to both segments of the New Board?

Please give reasons for your views.

There shouldn't be any safeguards in place, investors who chose to invest this knows already that the control is kept within the founders.

19. Do you agree that the SEHK should allow companies with unconventional governance features (including those with a WVR structure) to list on PREMIUM or PRO under the "disclosure only" regime described in paragraph 153 of the Concept Paper, if they have a good compliance record as listed companies on NYSE and NASDAQ? Should companies listed elsewhere be similarly exempted?

Please give reasons for your views.

They should apply to the boards separately

20. What are your views on the suspension and delisting proposals put forward for the New Board?

Please give reasons for your views.

I believe that it cannot be suspension and delisting should not be done in a hasty manner as start ups take time to develop and cannot be subjected to the quarter to quarter reports. If the company runs out of cash, it will naturally go bankrupt or has to raise further funding.

21. Should New Board-listed companies have to meet quantitative performance criteria to maintain a listing? If so, what criteria should we apply? Do you agree that companies that fail to meet these criteria should be placed on a “watchlist” and delisted if they fail to meet the criteria within a set period of time?

Please give reasons for your views.

No. They should not be kept to such a standard because start ups are mostly defined by their separate KPIs and it might not necessarily be kept by traditional KPIS like revenue and profits. This would not be aligned with the success of a start up.

22. Do you consider that an even “lighter touch” enforcement regime should apply to the New Board (e.g. an exchange-regulated platform)?

- Yes  
 No

Please give reasons for your views.

If you can provide a structure where you can raise 10 mill hkd without much hassle, i think that would be good but the issue with that is the costs and hassles of getting it listed. Otherwise Angels are a better route.

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