

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.

"The Cowards never started
The weak died on the way
Only the strong arrived
They were the pioneers"

This is the spirit we need for Hong Kong today.

We used to be adventurous. We used to be brave and bold. We used to be pioneers. But over the years we have gradually lost all of these qualities and have become all-consumed by the fear of making mistakes. Our strategic vision used to be seeing the benefits of doing things right, but now we focus only on the downside of what could go wrong. While we have been busy figuring out the "why not's", our competitors having been moving forward, or, more accurately, racing forward.

It is time. It is time to change our mindset. It is time to accept the fact that there will be mistakes and failures. It is time to realise that there will never be perfect solutions - only better ones. It is time to be brave and bold and be willing to move forward with proposals and ideas that we know, on balance, are workable and beneficial, while knowing and accepting the undeniable fact that we cannot completely eliminate risks, but that we have the capacity to manage them. There will never be any guarantee of success even if we try our very best, but certainty of failure if we never even try. We will never get to the Promised Land by having a discussion - we must take action.

There are many different opinions in the market on the New Board Concept Paper. Some are supportive; some have raised concerns and alternative structures; some have asked for a more gradual approach in forming the various New Boards. These are all good suggestions, all the right questions to be asking, and all the reasonable risks that we need to be aware of in making a decision. But in this process, as we recognize and understand these potential risks that could be involved, we must also never lose sight of the tremendous benefits that the proposal could bring to Hong Kong if successful.

So, comrades, fellow citizens, allow me to petition for all of us to put our fear aside, embrace our duties, and to make the difficult decision of taking a resolute move forward: push ahead with the New Board PREMIUM and the New Board PRO and the Private Markets. If we are successful, Hong Kong will be the forefront of financial innovation and a financial center for the new economy. And even if we don't succeed, at least we were brave and courageous enough to give it our very best shot!

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.

The targeted companies should be segregated onto a New Board so that even if the New Board is not successful, we can minimize the negative impact, if any, on the Main Board

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 am supportive of segmenting the New Board into different segments to cater for different risk tolerance levels by professional vs retail investors

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.

I STRONGLY believe we should substantially increase the listing requirements for the Main Board in order to position it for premium, substantial size and high quality old economy 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.

No view

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 agree that the proposed admission criteria are appropriate in light of the targeted investors for each segment

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 agree with the above as it should help avoid issuers abusing the New Board PRO platform

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.

No view

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.

No view

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 am supportive to the lighter touch approach for New Board PRO.

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 agree the New Board PRO should be restricted to professional investors only to commensurate the risk profile involved.

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.

Exchange Participants needs to take reasonable steps to ensure that the investors investing in New Board PRO-listed companies are professional investors.

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.

No view

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.

No view

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.

I am of the view that the New Board PRO listing applicants should still produce a prospectus in order to ensure the quality of the applicants

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.

No view

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.

I am supportive of the proposal to accept a 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.

I am supportive of imposing mandatory safeguards for companies with a WVR structure

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.

Supportive

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

Please give reasons for your views.

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.

I agree New Board companies have to meet quantitative performance criteria to maintain a listing

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.

Enforcement is essential to maintain a fair and orderly market and should never be compromised.

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