

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.

I'm supportive to the new board initiative. I think HK have the need to bring in New Economy industries to be listed in HK.

1. We have the best finance & legal fundation to support New Economy industries to get listed among Asia.

2. Accepting New Economy industries is the only way out to transform the diversity of the HK market. This is the future, just ask yourself a question what kind of board or listed company combination you would like to see in 5 or 10 years?

3. From a marco point of view, the regions are lacking of opporunity for New Economy companies to have a better exit plan. This would be a great opportunity for HK to be in that position.

The new board would have a positive impact on HK's ability to attract those New Economy players, it opens up doors for them, now the doors for those companies are pretty much closed.

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.

It depends on the New Board's company nature and the potential volume of that board. Base on the current defintition of New Economy is quite confusing, I don't think we can include those targeted companies in Main board, the rules and playing fields are just different. However, if it's well defined, I think it may be possible to be in the same Main Board.

Not sure if GEM is a good choice with the existing bad reputation and limited funding size or volume ability. You need to get people trade on those boards to make the board effective. Otherwise it's a walking dead.

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.

Segmenting the New Board can be a good idea, but have to look thru the mechanism how the different types of investor can play the game. Otherwise it may just over complicate the whole process on how to invest for the investors or how to be included from the company point of view.

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.

main board should be fine. But I think the positioning of GEM should really redefine a bit, due to this lack of confidence and bad PR

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.

I think we can allow the companies moving among the boards if needed, i.e. fit their company growth and demand. But a clear requirement should be there, each company should hit the requirement of the targeted board no matter if they are listed in New Board PRO or not. However, the process can streamlined to reduce the timing or procedure associate with such process.

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.

For New Board Pro, I think the number of investor requirement are too high for companies in that stage.

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 think the Exchange should reserve the right so that the ecosystem of that board can be maintained, and to avoid situation like the GEM board in the past.

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 understand the reason to have minimum number of investors at listing, but for New Board Pro targeted companies, this may be hard for the company to raise money from too many investors. For example, early stage startup aim to raise 100k - 500k USD, if that needed to divide into 100 investors, then each investor can only put in 50k max. This mechanism is pretty different from traditional VC, not sure if that would be practical in the real world.

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.

I think the Exchange can make the process as simple as possible for companies who are listing in other qualified exchange. That would help to growth of the board at early stage. Then the exchange should do more monitoring work on those companies.

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 support the idea of "lighter touch". Just don't make the requirement ridiculously high for startup at that early stage.

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'm not from the investor / finance side. N/A

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.

I think the investors should meet the eligibility criteria, in the view that there are many bad investors out there in my experience.

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.

should let the company have the authorities to use a financial advisor or not, especially early stage startup dpm't have the ability to pay expensive FA service

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.

They should be the guide and gate keeper

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 think some kind of Due Diligence prove is necessary for all the applicants, perhaps can be done by some big 4 to validate those info and specific disclosures.

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.

If they fail certain obligations, they should be de-listed, of-cos there's obligation for them to be continuous listing, just like the main board.

Different standards should also apply as the companies are in different stages/

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 think should just follow NASDAQ

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 think should just follow NASDAQ

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.

Agree

They should be exempted, in order to speed up the growth of the board and make it attractive

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

Please give reasons for your views.

No comments

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 think the companies should meet quantitative performance criteria, but that criteria can be a bit flexible since New Economy companies fluctuation can be quite big. The "watchlist" idea sounds good to me.

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.

- End -