

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.

Because HK market is short of international investors and new economy industries, comparing with other global finance centers. I agree that diversifying current listed companies in HKEX will bring new bright prospects to HK market.

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.

At the beginal, it is beneficial to separate them into differential boards, which create opportunities for pontential investors, especially those new technology companies with great growth potential. But the risks comes along with the new inclusion. In order to aviod risk, seperating professional investors and private investors is good choice, which is an efficient way to experienment the new initiative and protect private investors at the same time.

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.

In the beginning , segmenting new industries into various types could facilitate the setting up procedure. Different types of sectors are guided and supervised under respective criteria, which could be efficient.

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.

Because the limitations in current main board, the proposed GEM could be a potential solution. The overall effect of introducing a GEM board is certainly positive in the long run for it helps to gain the competitiveness of Hong Kong as an international finance center. However , the specific regulations as how to impose the new board should be carefully designed to make sure the transparency and fairness of Hong Kong stock market.

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.

a public offer could be implemented to impose for moving a company from new Board PRO to one of the other boards as long as there is a proper /well-accepted criteria.

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.

The criteria so far seems proper in sense that the revenue /profit requirement is slim. However, considering the market value criteria, exchange should come out with more specific guidelines to evaluate the new enterprise.

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.

Exchange should reserve the right to refuse only if it has good reasons that could be justified publicly. The procedure should be carefully designed. Also, the information should be fully public and ready to accept any objections.

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.

The minimum requirement is necessary, but the scale and quality of investors should be justified before they are could be identified as qualified investors. For example, the criteria to be a qualified investors should be carefully determined , which aims to ensure of the quality of new board.

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.

It is reasonable to expect a similar requirement with US or London, especially for those new industries. But for certain industries other than advanced industries, it is better to set up separate rules.

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.

Light touch is necessary for new applicants to new board. In order to apply a light touch and preserve the current suitability, it is better to separate them into different groups, and refrain private investors to the former.

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 totally agree with new board should be restricted to professional investors. In order to separate them, the investment experience and the amount of asset under management should be listed.

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.

Yes, certain criteria is necessary in protecting those investors, especially those private investors. For example, they must have enough asset to make sure the investment is within safe bottom line, and they must have at least similar experience in investing .

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.

A financial adviser is a must for those newly listed companies. Also, the qualification of adviser should be fully justified so that they could serve as an effective selection procedure in determining those qualified companies.

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.

Listing committee should be more responsible and more involved for those listed in new Board IPO listed companies than for those in main board.

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.

In order to make sure the high quality of new board, the information disclosed for the New Board companies should be more transparency. The required information should be in detail. The information should be updated frequently enough to track any changes in time.

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.

Listing obligations should be various according to different types of segments. For those new technology companies, the obligation should be more flexible in order to maximize their intensive to be on board in Hong Kong.

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 this act should be carefully designed, so that it could distinguish different segments in order to fully facilitate new technology companies into Hong Kong market and make the new board fair enough.

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 agree that exchange should impose mandatory safeguards for companies with WVR structure. For example, the qualification of investors, the restriction of transferring the share within certain period after listing, and other restrictions. The actions should be fully consider the potential risk that exposes to investors.

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.

If the company with sepeical govomance features has been succesfully listed on NYSE and NASDAQ, and have maitian a good record for some time in those markets. It is fine to allow them listed on Hong Kong market as well. It is better to have special arrange ment for those establised giant tech companies to be listed in Hong Kong.

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

Please give reasons for your views.

There should exist an effective channel to delisting companies which is proved to be poorly performed and fail to achieve the initial target. The current delisting channel is not strong enough to distinguish those dis-qualified companies.

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.

various types of firm have different ratios to evaluate their performance. Thus a uniform quantitative performance criteria is difficult to impose for all of them. If necessary, the quantitative criteria should be specific for different types of firms or firms within different sectors in order to make it efficient.

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.

In general, a "light touch" enforcement regime is fine to impose to the new board. But it should be conducted under adequate supervision and full guidance. It requires the exchange and related governors to work together to come out with a win-win solution.

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