

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 think for New Economy industry companies, there lacks fund raising channels in Hong Kong and for investors, they don't have opportunities to get the exposure of the robust New Economy even though they have the desire. Yes, investors have the demand to invest in New Economy industry and companies in this industry need funding. We have the demand as well as supply so if the New Board is implemented well, it will have positive impact on Hong Kong's ability to attract additional New Economy issuers.

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.

I believe targeted companies should be segregated onto the New Board. Because, 1) if they are included into the Main Board or GEM, the companies must have "better" qualities and the existence of New Board, which has less regulations and, would be useless 2) New Board would enjoy different rules and regulations, the companies in it would be qualified for the Main Board or GEM, so I assume the operations in these companies would be more volatile. If they are included in the Main Board, they might arouse unnecessary volatility and it might be hard for regulatory to take remedial actions or make any changes.

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.

No i don't think further insdustry segeragation would be necessary. Because 1) this will bring much more work for regulatory to identify the right industry for each company 2)since these companies are in the steep grow curve, the "industry" they are in might change or difficult to clarify as they grow 3)once there's new type coming out or get listed, regulatory needs to reclassify the segments and investors might be confused or reallocated if they have strict industry allocation rules.

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 basically agree with the proposed roles of GEM and the Main Board. And the Main Board can actually have higher admission criteria.

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 for companies listed on a board with no retail participation to move to a board with retail participation, a public offer should be required as currently proposed for the New Board Pro.

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 they are reasonable. And the implementation of either board will be highly welcomed.

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.

Yes. Rules are rules. The regulatory should have the power to refuse and maintain the clear segregation.

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 basically agree with the requirements. As for the liquidity, some arrangements can be applied and might be helpful. But Exchange should not give liquidity too much focus as the market has its own rules.

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.

Yes, i think it's reasonable. As many Chinese technology firms have been listed in US, such as Alibaba, JD and Baidu, many fund managers can't buy them for their Asian funds because they are not listed in Asia. So alleviating the hinders for these companies to list in HK would be highly welcomed from the investors and fund managers' perspective. Companies listed elsewhere should not be treated equally.

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.

"Lighter touch" can be applied to professional-only board. Relaxations might covering areas like financial performance.

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.

Yes, I agree with the restriction. As we set it as New Board Pro, the company listed there might be more risky and retail investors don't have similar risk appetite with professional investors, regulatory needs to take this measure to protect retail investors from huge loss. The current applied definition would be good.

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.

No more restrictions are needed.

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 the proposal rather than the prospectus wit Financial Advisor instead of Sponsor would be enough since the THE New Economy companies usually can't bear a long procedure to get listed.

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 agree with the proposal.

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 agree with the proposal and financial advisor instead of sponsor should be required for thr New Board Pro listing.

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.

New Board Pro should apply comparably lower level of continuous listing obligations.

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, disclosure-based approach would be enough. Investors can do the valuation themselves.

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.

The Exchange doesn't need any safeguards right now. Many companies with WVR structure has strict internal supervision and control. And the market is the best valuator.

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.

Yes. I agree.

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

Please give reasons for your views.

Yes Quantitative criterias would be good as it is easy to implement.

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.

This criterias should be set very carefully. Because the market performance not only reflects the company's current account operation but also investors' expectations on their further performance. So putting the company on to "watchlist" just because of some simple criteria would weaken the attractiveness of the New Board.

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.

We do not see strong argument for the SFC to refrain from using its enforcement power in the case of New Board.

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