

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.

In general it is good to have more companies listed as to broaden investment opportunities. I think new board could have a positive impact, as it attracts more issuers and provided two choices for two types of issuers. New Economy companies meeting Main Board financial and other key requirements, but unable to meet certain criteria

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.

Some companies may not be able to accommodate all the listing criteria of main board due to its business nature, governance structure or other reasons. A New Board enables them to gain access to the capital market.

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.

The implementation of New Board Pro should only be considered for the time being when the GEM Board is under reform and New Board Premium is to be implemented. The market is confused about so many new Board.

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.

The GEM and the Main Board will be mainly for conventional business while the New Board will be mainly for new economy business where some conventional listing requirements may not apply.

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.

The implementation of New Board Pro should only be considered when the reformed GEM Board and New Board Premium are implemented successfully and the market is clear about the role of New Board. No rush to consider to launch New Board Pro for the time being.

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.

Yes, it is appropriate as the investors care about company's profitability and creditability for the company they put money in.

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.

Agree that when an application is eligible for a more advanced board, it should not be accepted for a board at lower rank. Yet the implementation of New Board Pro should only be considered when the reformed GEM Board and New Board Premium are implemented successfully and the market is clear about the role of New Board. No rush to consider to launch New Board Pro for the time being

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 implementation of New Board Pro should only be considered when the reformed GEM Board and New Board Premium are implemented successfully and the market is clear about the role of New Board. No rush to consider to launch New Board Pro for the time being

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.

Exemptions should not be granted as corporates should abide with the listing regulations in HK when they want to get listed in HK.

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.

The implementation of New Board Pro should only be considered when the reformed GEM Board and New Board Premium are implemented successfully and the market is clear about the role of New Board. No rush to consider to launch New Board Pro for the time being

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.

The implementation of New Board Pro should only be considered when the reformed GEM Board and New Board Premium are implemented successfully and the market is clear about the role of New Board. No rush to consider to launch New Board Pro for the time being

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 implementation of New Board Pro should only be considered when the reformed GEM Board and New Board Premium are implemented successfully and the market is clear about the role of New Board. No rush to consider to launch New Board Pro for the time being.

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.

The implementation of New Board Pro should only be considered when the reformed GEM Board and New Board Premium are implemented successfully and the market is clear about the role of New Board. No rush to consider to launch New Board Pro for the time being.

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.

Need more information regarding the role of the listing committee.

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.

The implementation of New Board Pro should only be considered when the reformed GEM Board and New Board Premium are implemented successfully and the market is clear about the role of New Board. No rush to consider to launch New Board Pro for the time being.

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.

Continuous listing obligations are necessary. The implementation of New Board Pro should only be considered when the reformed GEM Board and New Board Premium are implemented successfully and the market is clear about the role of New Board. No rush to consider to launch New Board Pro for the time being.

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.

For companies with a WVR structure, the Exchange should take a disclosure based approach.

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.

On top of disclosure, the Exchange should make sure investors are well informed and educated about the WVR structure and its implications.

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.

Exemptions should not be granted as corporates should abide with the listing regulations in HK when they want to get listed in HK.

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

Please give reasons for your views.

These measures are needed, to make sure shares are trading normally and avoid unnecessary risk.

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.

Quantitative performance criteria are necessary to New Board. The Exchange should apply the same standard as Main Board to the New Board regarding quantitative performance criteria. Agree with the proposal of having a watchlist.

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.

No, excessive relaxation of regulations may compromise the quality of companies coming to HK for listing and the reputation of HK as an international financial centre.

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