CP202603r_0006

Submitted via Qualtrics

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Personal view

Lawyer

Question 1

Do you agree that the WVR Financial Eligibility Test thresholds should be lowered?

Yes

Please give reasons for your views and any alternative suggestions.

Question 2

Do you agree with the proposed WVR Financial Eligibility Test thresholds (as set out in paragraph 91 of the Consultation Paper)?

Yes

Please give reasons for your views and any alternative suggestions.

I as a practitioner would welcome further guidance on the application of the market capitalization requirement. In particular, there is typically a three-business-day gap between the pricing of an IPO and the listing (i.e., the commencement of trading). For applicants seeking a Main Board listing as an additional listing venue (including A-to-H listings and homecoming listings), the market capitalization calculated based on the IPO pricing may differ significantly from the market capitalization implied by the closing price on the trading day immediately prior to the first day of trading on HKEx. In certain cases (for example, Zhihu), such differences have been material, and it is also noted that the Exchange customary grants waiver to exempt the issuers from pricing the Hong Kong Public Offering and International Offering at the same price. Clarification on how the market capitalization requirement should be assessed in these circumstances would provide greater certainty to applicants and their advisers, and enhance consistency in the interpretation and application of the requirement. Such guidance (e.g.

the determination will be made based on the Offer Price of the IPO) would provide great clarity and guidance on the interpretation of the market capitalization requirement. On

the other hand, the decision to grant WeRide a waiver from the market capitalization requirement, primarily on the basis that it achieved the requisite market capitalization for only a very limited period during the year, is concerning. Such an approach risks undermining market confidence in the Exchange's consistent and rigorous application of its listing rules, and may in turn diminish broader respect for the integrity of the regulatory framework.

Question 3

Do you agree with the proposal to accept a 20:1 WVR Ratio Cap if an applicant has a market capitalisation of at least HK$40 billion at the time of listing (see paragraph 103 of the Consultation Paper)?

Yes

Please give reasons for your views and any alternative suggestions.

The cap on the ratio shall be removed in its entirety and this shall be a

disclosure-only requirement for investors to judge by themselves. Moreover, please clarify that the "they" in "if they have a market capitalization of at least HK$40 billion" of Paragraph 103, refers to the listing applicant, not the WVR shares.

Question 4

Do you agree with the proposal to clarify that the Exchange may be prepared to accept the listing of an applicant whose WVR beneficiaries collectively hold a lower minimum economic interest at listing only if such lower underlying economic interest, at the time of the applicant's initial listing: (a) represents at least 5% of the applicant's total issued share capital; and (b) has an amount of at least HK$4 billion (see paragraph 105 of the Consultation Paper)?

Yes

Please give reasons for your views and any alternative suggestions.

This restriction shall be removed in its entirety and this shall be a disclosureonly requirement for investors to assess by themselves.

Question 5

Do you agree with the proposal to provide a choice of Route A and Route B that applicants can use to meet the Innovative Company Requirements (as set out in paragraph 126 of the Consultation Paper)?

Yes

Please give reasons for your views and any alternative suggestions.

The characteristics applicable under Route A and Route B should be consolidated into a single pool for holistic review.

As technological innovation and business model innovation are often closely intertwined, they should not be assessed against two separate sets of criteria.

Question 6(a)

In respect of Route A, do you agree with the proposed retention of the current Specialist Company Presumptions (as set out in paragraph 127(a) of the Consultation Paper)?

Yes

Please give reasons for your views and any alternative suggestions.

Question 6(b)

In respect of Route A, do you agree with the proposed "innovative" presumption for Qualified Biotech Applicants and Qualified Specialist Technology Applicants (as set out in paragraphs 127(b), 132 and 133 of the Consultation Paper)?

Yes

Please give reasons for your views and any alternative suggestions.

Clarification should be provided in respect of the relevant requirements. Under the Exchange's current guidance, all 18A issuers are presumed to satisfy the innovative company test, whereas Qualified Biotech Applicants are defined as those that have commercialised their product(s).

Question 6(c)

In respect of Route A, do you agree with the proposed refinements to the Innovative Characteristics that are applicable to Route A (as set out in paragraphs 127(c), 129 and 130 of the Consultation Paper)?

Yes

Please give reasons for your views and any alternative suggestions.

Question 7(a)

Do you agree with the proposed refinements to the Innovative Characteristics that are applicable to Route B (as set out in paragraphs 129 and 131 of the Consultation Paper)?

Yes

Please give reasons for your views and any alternative suggestions.

Question 7(b)

Do you agree with the proposed guidance on the meaning of a "sophisticated investor" for the purpose of the "external validation" requirement (as set out in paragraph 134 of the Consultation Paper)?

Yes

Please give reasons for your views and any alternative suggestions.

Please consider to ease this requirement for companies seeking dual-listing status on the Exchange. Locking-Up for shares that are traded in liquid market is unduly burdensome for dual-listed companies. The existing venue at a Qualified Exchange itself may serve as good evidence of external validation.

Question 7(c)

Do you agree with the proposed guidance on what constitutes "meaningful third-party investment" for Route B applicants for the purpose of the "external validation" requirement (as set out in paragraph 135 of the Consultation Paper)?

No

Please give reasons for your views and any alternative suggestions.

Question 8

Do you agree with the proposal to lower the financial eligibility thresholds for a secondary listing of an overseas issuer with a WVR structure to align them with those proposed for WVR issuers with a primary listing (see paragraph 173 of the Consultation Paper)?

Yes

Please give reasons for your views and any alternative suggestions.

Question 9

Do you agree with the proposal to lower the market capitalisation threshold under Criteria B from HK$10 billion to HK$6 billion (see paragraph 177 of the Consultation Paper)?

Yes

Please give reasons for your views and any alternative suggestions.

Question 10

Do you agree with the proposal to retain the market capitalisation threshold under Criteria A (see paragraph 178 of the Consultation Paper)?

Please give reasons for your views and any alternative suggestions.

rationale for "secondary listing" may be based on some misguided

information at all. The overwhelming majority of the companies listed in US are considered as foreign private issuers, which are entitled to a number of exemptions from regulations (the disclosure and proxy rules, corporate governance requirements

etc.) on the ground that these FPIs are subject to regulation of their home country, which is often Cayman Islands, where no meaningful listing regulation would be imposed at company law level. Chapter 19C is therefore largely deferring to the listing requirements of Cayman Islands, instead of the United States. As such, I do not support the idea of any further compromise on the secondary listing standard, at least for listed companies whose only meaningful listing venue is in the US. On the other hand, there are multiple layers of trading venue at NYSE and NASDAQ, which stipulated different initial and continued listing criteria. Currently all these layers have been recognized as qualified exchange. This contradicts with the position on London Stock Exchange, as AIM is not accepted as Qualified Exchange at all. There are a number of AIM companies that may be acceptable for secondary listing from a policy perspective.

Question 11

What measures (if any) do you think the Exchange should implement to further facilitate the listings, in Hong Kong, of issuers listed overseas (see paragraphs 198 and 199 of the Consultation Paper)?

In response to the question of what measures the Exchange may implement to further facilitate the Hong Kong listing of overseas-listed issuers, I propose the introduction of measures to streamline follow-on offerings for dual-listed companies.

Dual-listed companies are inherently subject to overlapping and additional regulatory constraints across differentlisting venues. Since 2025, there have been observed an increasing number of Hong Kong-US dual-listed issuers undertaking so-called Category 2 Reg S placements. To date, however, the Exchange has provided limited formal guidance to market participants on the structuring of such transactions.

We recommend the Exchange consider introducing targeted measures to support compliant transaction structuring that adheres to the legal and regulatory requirements of all relevant listing venues—for example, permitting the temporary closure of ADS facilities to placees during the distribution compliance period.

Further, the Exchange should conduct a review to reconcile the mechanics of Category 2 Reg S transactions with its published Alternative Procedures (available at: https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-andGuidance/Other-Resources/Listing-of-OverseasCompanies/procedure_reg_s.pdf) and the SEC no-action letter in connection with the Coach HDR listing (available at: https://www.sec.gov/divisions/corpfin/cfnoaction/2011/coach112811-incoming.pdf) that

apply to Cat 3 Reg S offerings, to ensure consistency and clarity for market participants navigating cross-jurisdictional follow-on offering processes.

In addition, the so-called top-up placing has been a common transaction strcuture leveraged by various listed issuers to accelerate the settlement of the placement to placees. However, with respect to Chapter 8A listed issuers, there may not be a shareholder other than the WVR beneficiaries may participate in the top-up transaction. I would suggest to grant waiver with respect to the issuance of WVR shares to the WVR beneficiaries on the condition that the issued WVR shares shall be solely used to restore the shareholding of the beneficiaries because of his or her conversion of WVR shares into listed shares in support of the top-up transaction.

Please give reasons and specify any accompanying conditions for your suggested measures.

Question 12

Do you agree with the proposal to codify the existing guidance into a Rule to state that an applicant will be considered to have satisfied the Ownership Continuity Requirement if it can demonstrate, to the Exchange's satisfaction, that there was no material change in influence on management during the Relevant Period despite the change in controlling shareholder over that period to address any packaging concerns (see paragraphs 205 and 206 of the Consultation Paper)?

Yes

Please give reasons for your views and any alternative suggestions.

Question 13

Do you agree with the proposed consequential updates to our guidance (as set out in paragraph 207 of the Consultation Paper)?

Yes

Please give reasons for your views and any alternative suggestions.

Question 14

Do you agree with the proposal to expand the permitted use of US GAAP (as set out in paragraph 213 of the Consultation Paper)?

Yes

Please give reasons for your views and any alternative suggestions.

I think this is largely a policy driven issue. The key is to make sure the GAAP chosen will enable investor to make apple-to-apple comparison. If there is no market comparables using the same US GAAP, then it does not make sense for the issuer to keep US GAAP. I would suggest to provide an application pathway for issuers to apply for keeping the US GAAP. Please consider to request the issuer to include in the Form M111 of market peers that use US GAAP as a condition for applicant to US GAAP.

Question 15

Do you agree with the proposal to remove the requirement that a US-listed issuer using US GAAP must revert to preparing financial statements using HKFRS or IFRS if it subsequently delists from the US (see paragraph 214 of the Consultation Paper)?

Yes

Please give reasons for your views and any alternative suggestions.

I think this is largely a policy driven issue. The key is to make sure the GAAP chosen will enable investor to make apple-to-apple comparison. If there is no market comparables using the same US GAAP, then it does not make sense for the issuer to keep US GAAP. I would suggest to provide an application pathway for issuers to apply for keeping the US GAAP.

Question 16

Do you agree with the proposal to remove the requirement for a Reconciliation Statement produced for the purpose of unaudited financial results to be reviewed by auditors (see paragraph 215 of the Consultation Paper)?

No

Please give reasons for your views and any alternative suggestions.

Question 17

Do you agree with the proposal to allow Eligible Specialist Companies to seek a listing under the applicable Specialist Chapters (see paragraph 232 of the Consultation Paper)?

Yes

Please give reasons for your views and any alternative suggestions.

Application of the working capital requirement (100% or 125% for 12 months) shall be considered.

Question 18

Do you agree with the proposed modifications to the additional requirements under the Specialist Chapters to be imposed on Eligible Specialist Companies (as set out in paragraph 233 of the Consultation Paper)?

No

Please give reasons for your views and any alternative suggestions.

The proposed amendment would give rise to an anomalous outcome: Eligible Specialist Companies that satisfy the Rule 8.05 listing tests would have little incentive to seek a listing under Chapter 18A or 18C, given that they would derive no meaningful benefit from being classified as Chapter 18A or 18C issuers.

To address this inconsistency, I consider it essential that the two-year track record period (as opposed to three years) continue to apply to Chapter 18A and 18C issuers. This would ensure that fast-growing companies which are able to satisfy the two revenue-based tests under Rule 8.05 within a two-year period would not be disqualified under either listing regime. Without such a carve-out, such issuers would face a regulatory gap that they would be ineligible under Rule 8.05 due to having only two financial years' track record, while simultaneously being disqualified under Chapters 18A and 18C merely because they meet the Rule 8.05 eligibility requirements.

In addition, the applicability of the working capital sufficiency requirement shall also be considered.

Question 19

Do you agree with the proposal to remove the Publication Requirements for all listing applicants, such that a listing applicant (including a listing applicant associated with an Issuer-related Listing Application) may choose not to publish its AP at the time it submits its listing application, in which case it would only be required to publish an OC Announcement on the same date as it publishes its PHIP (as set out in paragraph 260 of the Consultation Paper)?

Yes

Please give reasons for your views and any alternative suggestions.

Question 20(a)

Do you agree with the proposal that, in addition to the existing Return Application Details, the identities of other professional parties responsible for the Application Materials also be displayed on the designated webpage of the Exchange (as set out in paragraphs 264 to 265 of the Consultation Paper)?

No

Please give reasons for your views and any alternative suggestions.

I suggest that only parties responsible for the return of the listing application should be disclosed alongside the Sponsors.

Alternatively, if disclosure of other professional parties is required, the specific reason for the return of the listing application should also be published, given that not all professional parties bear the same level of responsibility in relation to the grounds for the return.

Question 20(b)

Do you agree with the list of professional parties proposed to be considered as responsible for the Application Materials for the above purpose (as set out in Box 1 under paragraph 265 of the Consultation Paper)?

No

Please give reasons for your views and any alternative suggestions.

Question 21

Do you agree with the proposal to amend the starting point of the 8-week moratorium to either: (a) the date on which all applicable review procedures in respect of the Listing Division's decision to return the listing application have been completed; or (b) the date on which the time period for invoking any such review procedures has lapsed (as set out in paragraph 266 of the Consultation Paper)?

Please give reasons for your views and any alternative suggestions.

Question 22

Do you agree with the consequential changes to issuers' disclosure obligations in relation to Issuer-related Listing Applications (as set out in paragraph 268 of the Consultation Paper)?

Please give reasons for your views and any alternative suggestions.

Please provide your overall comments (if any) regarding the Consultation Paper which have not been covered in the questions above.

Additional guidance should be provided to Note 9 to Chapter 2.3 of the Guide for New Listing Applicant that " If the applicant has not completed any clinical trials, the Exchange will evaluate why it has not done so and whether substantive R&D and other work/process equivalent to the completion of one clinical trial has been performed."

Despite of the existence of such requirement, there has not been much cases relying on such pathway due to the lack of clarity on the interpretation. However, this note may be of great value for the so-called NewCo listing applicant.

In addition, the Exchange may consider to modify the listing criteria of medical device companies under Chapter 18A, especially of the Use of Proceeds related requirements.

Under the Exchange's current requirements, a medical device issuer seeking listing under Chapter 18A must, at the time of submitting its listing application, have at least one clinical trial ongoing for product registration purposes. Furthermore, at the time of the issuer's listing, such product must still be at the clinical trial stage, rather than having obtained registration approval and commenced commercialisation.

This requirement works well in the past. However, given the extended timeframe now required for the China Securities Regulatory Commission (CSRC) filing, this requirement has in practice become a material barrier for many medical device companies seeking to list in Hong Kong under Chapter 18A.

Medical device companies typically have relatively short timelines for completing registration clinical trials. If an applicant has already advanced its product to the clinical stage at the time of the A1 filing, it will often complete the registration clinical trial and obtain regulatory approval within just a few months. As a result, by the time the listing process is completed, the product that supported its Chapter 18A eligibility at the time of application will no longer satisfy the Chapter 18A criteria.

Given the prolonged CSRC filing timeline at present, this has effectively prevented numerous eligible medical device companies from seeking listing under Chapter 18A.

Accordingly, the Exchange should consider revisiting its existing requirements. In particular, the Exchange may allow medical device companies that have already obtained product registration approval to still qualify for Chapter 18A listing, provided that such products have not commenced large-scale commercialisation and the issuer does not meet the financial thresholds under Rule 8.05.

The issuer may then use the offering proceeds to fund large-scale production and marketing of such approved products. This approach would significantly enhance the feasibility for medical device companies to list in Hong Kong under Chapter 18A.