**Submitted via Qualtrics**

**The Bank of East Asia Ltd.**

**Company/Organisation view**

**Listed Company**

## 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.**

The Bank of East Asia, Limited ("BEA") as a major participant in Hong Kong's equity capital markets - both as an investor and as an intermediary - we welcome the Exchange's initiative to review and enhance the competitiveness of the listing regime. The proposals represent a thoughtful evolution of the successful 2018 reforms and are timely in light of global competition for high-quality listings and the convergence of private and public markets.

Besides, lowering the WVR financial eligibility thresholds will enhance Hong Kong's competitiveness by making the WVR regime accessible to a broader range of innovative and high-growth companies that may not yet meet the current stringent financial benchmarks but possess significant future potential. In our view, it aligns with global trends among leading exchanges to attract "new economy".

## 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.**

Same reason as in Question 1 above.

**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.**

Agree with a constructive caveat.

This proposal is positive as it provides greater flexibility for larger, highly innovative companies with significant market capitalisation, acknowledging that such companies often have established governance structures and a strong market presence. However, to further mitigate potential long-term governance risks associated with a high WVR ratio, we suggest implementing mandatory sunset provisions (e.g. after 5 – 7 years) or periodic shareholder ratification for issuers whose post-listing market capitalisation falls below a higher threshold (e.g. HK$80 billion) for a sustained period. This would provide an additional governance safeguard for smaller or underperforming WVR issuers.

**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.**

Same reason as in Question 1 above.

**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.**

Agree with two-route Innovative Company framework and presumptive eligibility for Qualified Biotech/Specialist Technology applicants (Questions 5–7). These changes should facilitate listings of genuinely high-growth, innovative companies without unduly diluting the "new economy" focus of the WVR regime.

**<u>Question 6(a)</u>**

**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.**

Same reason as Question 5 above.

**<u>Question 6(b)</u>**

**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.**

Same reason as Question 5 above.

**<u>Question 6(c)</u>**

**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.**

Same reason as Question 5 above.

**<u>Question 7(a)</u>**

**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.**

We suggest requiring a minimum level of external validation from sophisticated investors (e.g. ⩾10% of the post-IPO share capital held by such investors at listing) to align more closely with the external validation standards applied under Route A and to reduce the risk of non-innovative issuers qualifying via Route B.

We also suggest HKEX to monitor post-adoption outcomes (particularly WVR governance and Route B usage) with a view to any necessary future recalibration.

**<u>Question 7(b)</u>**

**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 refer to Question 7 (a) above.

**<u>Question 7(c)</u>**

**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)?**

Yes

**Please give reasons for your views and any alternative suggestions.**

Please refer to Question 7 (a) above.

**<u>Question 8</u>**

**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.**

We support aligning the financial eligibility thresholds for secondary listings (both WVR and non-WVR) with the proposed primary listing thresholds. This should encourage more overseas-listed issuers (particularly Greater China technology and new-economy companies) to establish a meaningful presence in Hong Kong, enhancing liquidity and investor choice. We also welcome further guidance on conversion to primary listing.

**<u>Question 9</u>**

**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.**

Same reason as in Question 8 above.

**<u>Question 10</u>**

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

Yes

**Please give reasons for your views and any alternative suggestions.**

This ensures that Hong Kong continues to attract the largest and most prominent global companies, maintaining a balanced approach to secondary listings.

**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)?**

We believe the current proposals in the Consultation Paper are highly effective in facilitating overseas listings. Beyond these, HKEX should continue to proactively engage with overseas regulators and market participants to promote Hong Kong's unique advantages and listing opportunities and continuously review and adapt its listing rules to ensure they remain competitive and relevant to a rapidly evolving global listing landscape.

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

Please refer to reasons stated above.

**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.**

These measures will reduce friction, improve efficiency, and align Hong Kong more closely with international peers without compromising disclosure standards.

**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.**

Same reason as in Question 12 above.

**<u>Question 14</u>**

**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.**

Same reason as in Question 12 above.

**<u>Question 15</u>**

**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.**

Same reason as in Question 12 above.

**<u>Question 16</u>**

**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)?**

Yes

**Please give reasons for your views and any alternative suggestions.**

Same reason as in Question 12 above.

**<u>Question 17</u>**

**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.**

Same reason as in Question 12 above.

**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)?**

Yes

**Please give reasons for your views and any alternative suggestions.**

Same reason as in Question 12 above.

**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.**

This is a highly beneficial proposal. It enhances confidentiality for applicants, reduces reputational risk for those who may not proceed with a listing, and streamlines the application process. It also aligns Hong Kong with international best practices and makes the listing journey more attractive.

**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)?**

Yes

**Please give reasons for your views and any alternative suggestions.**

Displaying the identities of professional parties responsible for application materials enhances transparency and accountability, ensuring that high standards are maintained throughout the listing preparation process. The proposed list of professional parties is appropriate and comprehensive.

**<u>Question 20(b)</u>**

**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)?**

Yes

**Please give reasons for your views and any alternative suggestions.**

Please refer to reasons stated in Question 20(a) above.

**<u>Question 21</u>**

**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)?**

Yes

**Please give reasons for your views and any alternative suggestions.**

Same reason as in Question 12 above.

**<u>Question 22</u>**

**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)?**

Yes

**Please give reasons for your views and any alternative suggestions.**

Same reason as in Question 12 above.

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

Overall, we support the direction and balance of the proposals. They should broaden the diversity of issuers eligible to list in Hong Kong, increase investment opportunities for sophisticated investors (including our clients and proprietary portfolios), and strengthen Hong Kong's position as an international financial centre, all while preserving core investor protections.