Submitted via Qualtrics

(Anonymous)

Company/Organisation view

Professional Body / Industry Association

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.

We agree that the WVR Financial Eligibility Test thresholds should be lowered.

The current thresholds are high compared with relevant peer markets and may reduce Hong Kong's competitiveness in attracting high-quality, high-growth companies with WVR structures. From our market experience, some companies with meaningful scale may have a genuine commercial rationale for listing with a WVR structure, particularly where their growth depends on long-term strategy, technology development, platform expansion or continued execution by key founders.

Lowering the thresholds would provide greater flexibility while keeping WVR as a targeted regime, as applicants would remain subject to the Exchange's eligibility and suitability assessment, WVR safeguards, governance and disclosure standards.

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.

We agree with the proposed WVR Financial Eligibility Test thresholds.

The proposed HK$20bn threshold and HK$6bn with HK$600m revenue threshold strike a reasonable balance between competitiveness and market quality. They are closer to relevant peer-market requirements, while still requiring applicants to demonstrate meaningful scale. The HK$600m revenue threshold also preserves commercial validation by maintaining the same revenue-to-market-capitalisation ratio as the existing test. Further, we support further calibration over time, based on market experience after implementation.

<u>Question 3</u>

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.

We agree with the proposal to accept a 20:1 WVR Ratio Cap for applicants with a market capitalisation of at least HK$40 billion at the time of listing.

The higher ratio would make the WVR regime more workable for large-cap issuers whose existing voting structures exceed the current 10:1 cap, while the HK$40 billion threshold limits the relaxation to issuers of substantial scale. This is important given the greater disparity in voting power that may arise under a 20:1 structure.

We also agree that existing listed WVR issuers should not be allowed to increase their voting ratio after listing. This preserves the governance basis on which investors made their investment decision.

<u>Question 4</u>

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.

We agree with the proposal to clarify the circumstances in which the Exchange may accept a lower minimum economic interest held by WVR beneficiaries at listing.

The proposed 5% and HK$4 billion floors provide clearer parameters than the current case-by-case approach, while preserving the Exchange's discretion to assess the applicant's overall suitability. Requiring both a minimum percentage interest and a substantial absolute dollar value also helps maintain economic alignment between WVR beneficiaries and minority shareholders.

This approach is appropriate for larger applicants, where a lower percentage holding may still represent significant capital at risk. It provides a clearer and more transparent basis for accepting a lower economic interest without weakening the investor protection rationale of the WVR regime.

<u>Question 5</u>

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.

We agree with the proposal to provide a choice of Route A and Route B for applicants to meet the Innovative Company Requirements.

The proposed routes provide clearer reference points for applicants and sponsors, while recognising that innovation may arise either from novel technology or from a new business model. This should improve certainty in the assessment process without broadening the WVR regime beyond innovative companies.

We suggest that the two routes be applied with suitable flexibility where an applicant exhibits features of both technology and business model innovation. This would better reflect the way new economy businesses may evolve, while allowing the Exchange to continue assessing innovativeness and suitability holistically.

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.

We support the Route A proposals.

Retaining the current Specialist Company Presumptions provides continuity for applicants listing under the Specialist Chapters, which are already subject to sector-specific eligibility requirements relevant to innovation.

We also support extending the “innovative” presumption to Qualified Biotech Applicants and Qualified Specialist Technology Applicants that do not list under a Specialist Chapter. This avoids an overly technical distinction where an applicant may have a comparable innovation profile, but would otherwise be assessed differently only because it is financially eligible to list under the ordinary route. For other Route A applicants, requiring the Novelty Characteristic together with more than one of the R&D, IP and Outsized Market Cap Characteristics gives a clearer framework for technology-led innovation.

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.

Please refer to 6(a)

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.

Please refer to 6(a)

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.

We agree with the Route B proposals.

For Route B applicants, the proposed CAGR Growth and Industry Position Characteristics are appropriate reference points, as business model innovation may not be supported by the same R&D or IP indicators as technology-led innovation. These factors help distinguish a genuinely differentiated business model from strong execution in a conventional sector.

We also support clearer guidance on “sophisticated investor” and “meaningful third-party investment”. The proposed 10% aggregate investment benchmark gives applicants and sponsors a more workable standard for external validation. For larger applicants, the ability to recognise a lower percentage where the absolute investment amount is substantial is also appropriate, as the investment may still represent meaningful market validation.

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 refer to 7(a)

<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 7(a)

<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 agree with the proposal to lower the financial eligibility thresholds for secondary listings of overseas issuers with WVR structures to align with the proposed thresholds for primary WVR listings.

Maintaining the same financial thresholds for primary and secondary WVR applicants is appropriate and avoids an unnecessary inconsistency between the two routes.

<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.

We agree with the proposal to lower the market capitalisation threshold under Criteria B from HK$10 billion to HK$6 billion.

This is a sensible consequential change if the financial eligibility thresholds for WVR secondary listings are also lowered.

<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.

We agree with retaining the market capitalisation threshold under Criteria A.

A market capitalisation threshold should remain an independent eligibility filter for secondary listings. Criteria A should not rely solely on an issuer's overseas regulatory compliance record, even if that record is long. The threshold helps ensure that an overseas issuer seeking secondary listing in Hong Kong has a minimum level of scale, market recognition and investor following.

The existing HK$3 billion threshold also preserves the distinction between Criteria A and Criteria B. Criteria A appropriately provides a lower market capitalisation route for issuers with a longer compliance track record, but it should not become a route with no scale requirement.

<u>Question 11</u>

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)?

For issuers already listed overseas, further facilitation should focus on reducing duplication, improving timetable certainty and lowering the overall cost of choosing Hong Kong, while maintaining Hong Kong-specific investor protection.

We would support greater reliance on existing overseas public filings where the relevant information is already publicly available and subject to comparable regulation, supplemented by concise Hong Kong-specific disclosure on matters material to local investors. This would better reflect the nature of secondary listing applicants, which already have an overseas disclosure record, and reduce duplicative drafting, verification and translation work.

It may also be helpful to make the existing engagement process for overseas-listed issuers more structured, so that key Hong Kong issues can be identified earlier in the timetable. In our experience, early clarity on material shareholder protection, governance and settlement matters can be as important as formal eligibility relaxation in improving execution certainty.

Beyond the listing process, we would support continued coordinated outreach to overseas-listed issuers in priority markets and sectors. The message should present Hong Kong not only as an additional listing venue, but as a capital markets and business platform connecting international and Mainland China investors, post-listing liquidity channels and the broader Hong Kong ecosystem.

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

Please refer to above

<u>Question 12</u>

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.

We agree with the proposal to codify the existing guidance on the Ownership Continuity Requirement into the Listing Rules.

The codification would improve transparency and certainty for applicants and sponsors. It also reflects a substance-based approach, where a change in controlling shareholder should not automatically be disqualifying if there is no material change in influence on management during the relevant period.

This would be helpful for legitimate pre-listing fundraisings, restructurings or investor changes where the business and management influence underlying the track record remain substantially unchanged, while preserving the requirement's purpose of addressing packaging concerns.

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.

We agree with the proposed consequential updates to the guidance.

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)?

No

Please give reasons for your views and any alternative suggestions.

We do not agree with expanding the permitted use of US GAAP.

For a Hong Kong listing, financial statements should generally be prepared under HKFRS or IFRS, which are the reporting standards most familiar to Hong Kong investors and most comparable across Hong Kong-listed issuers. This comparability is important for investors' assessment of financial performance, valuation and risk.

While we recognise that preparing HKFRS or IFRS financial statements may increase reporting work for some applicants, that cost is justified where it results in clearer and more familiar information for Hong Kong investors. In particular, substantial US operations alone should not justify the use of US GAAP for a Hong Kong listing.

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)?

No

Please give reasons for your views and any alternative suggestions.

We do not agree with removing the requirement for a US-listed issuer using US GAAP to revert to HKFRS or IFRS if it subsequently delists from the US.

The permission to use US GAAP is justified by the issuer's US listing and reporting framework. Once that US listing no longer exists, the basis for continuing to use US GAAP becomes weaker. A Hong Kong-listed issuer should generally report under HKFRS or IFRS, which are more familiar to Hong Kong investors and more comparable with other Hong Kong-listed issuers.

We recognise that conversion may involve cost and operational work. However, that cost is justified where the issuer no longer maintains a US listing and Hong Kong investors become the principal public market audience for its financial reporting.

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.

We do not agree with removing the auditor review requirement for Reconciliation Statements included in unaudited financial results.

Where an issuer reports under a financial reporting standard other than HKFRS or IFRS, the Reconciliation Statement is an important bridge for Hong Kong investors to understand the financial information on a comparable basis. Auditor review provides an important safeguard over that reconciliation, particularly where the underlying financial results are unaudited. While audit committee review is useful, it should not replace auditor review for this purpose. The additional process is justified by the importance of ensuring that reconciliation information relied upon by investors is properly reviewed.

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.

We support the proposal to allow Eligible Specialist Companies to seek a listing under the applicable Specialist Chapters.

An applicant may satisfy the ordinary financial eligibility tests but still be better understood by investors through the sector-specific framework for Biotech Companies or Specialist Technology Companies. Allowing such applicants to use the relevant Specialist Chapter would preserve sector alignment and, where applicable, allow access to TECH without forcing the applicant into the ordinary route solely because it has reached commercialisation.

This would also reduce artificial timing incentives. Applicants should not need to delay or accelerate submission, or choose their listing route around a technical eligibility boundary, where the substance of the business remains specialist in nature.

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.

We agree with the proposed modifications to the additional requirements under the Specialist Chapters for Eligible Specialist Companies.

As these applicants would already satisfy the ordinary financial eligibility tests, it is appropriate to disapply requirements that are mainly designed for pre-commercial or earlier-stage applicants, such as third-party investment, specialist warning statements and bespoke “double dipping” conditions. This reflects their more mature stage of development and avoids imposing requirements that may no longer serve the same regulatory purpose.

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.

We agree with the proposal to remove the Publication Requirements for all listing applicants.

Allowing applicants to choose confidential filing would reduce premature market publicity and better protect commercially sensitive information during the vetting process. This is particularly useful where the applicant's listing timetable remains uncertain or where early public disclosure may affect business negotiations, employee relations or overseas regulatory considerations.

The proposal should not materially weaken vetting discipline, as all applicants would still be required to submit a substantially complete AP to the Exchange at filing. Publication of the PHIP would also continue to provide investors with information before listing, and the Exchange would retain the ability to require publication if confidentiality is lost.

<u>Question 20(a)</u>

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.

We agree with the proposal to disclose the identities and roles of other professional parties responsible for the Application Materials, and with the proposed list of professional parties.

If AP publication at filing becomes optional, the Return Mechanism will play a more important role in maintaining market discipline. Where an application is returned for being not substantially complete, public disclosure should not be limited to the applicant and sponsor. The quality of Application Materials depends on the work of multiple professional parties, including legal advisers, reporting accountants, industry consultants and other experts, and their roles should be visible to the market where their work forms part of the returned materials.

This is also consistent with recent regulatory focus on the quality of listing applications. Public identification of responsible professional parties would reinforce the expectation that advisers commit sufficient senior resources, relevant Hong Kong IPO experience and proper supervision to the preparation of Application Materials.

At the same time, the Return Application Details should explain the principal reasons for return with sufficient clarity. This would help the market understand the basis of the decision and avoid an unfair impression that all named professional parties were responsible for deficiencies unrelated to their work.

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)?

Yes

Please give reasons for your views and any alternative suggestions.

Please refer to 20(a)

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)?

Yes

Please give reasons for your views and any alternative suggestions.

We agree with the proposal to amend the starting point of the 8-week moratorium.

The moratorium should begin only after the applicable review procedures have been completed, or after the time for seeking review has lapsed. This ensures that the moratorium remains effective in practice and is not shortened merely because a review process is pursued.

This approach also preserves procedural fairness, as an applicant may still seek review of the return decision, while ensuring that the consequence of submitting Application

Materials that are not substantially complete remains meaningful. For more serious or repeated deficiencies, the Exchange may also consider whether further consequences would be appropriate.

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)?

Yes

Please give reasons for your views and any alternative suggestions.

We agree with the proposed consequential changes.

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