

**Submitted via Qualtrics**

**(Anonymous)**

**Company/Organisation view**

**Others: Index Company**

**Question 1**

**Do you agree that an alternative eligibility test should be introduced to enable the listing of high growth enterprises substantively engaged in R&D activities on GEM?**

Yes

**Please give reasons for your views.**

Agree that the existing positive cash flow requirement for GEM listing might be demanding for high growth companies that put a lot of resources in R&D.

**Question 2**

**Do you have any comments on the proposed thresholds for the alternative eligibility test as set out in paragraphs 63 to 75 of the Consultation Paper?**

Yes

**Please give reasons for your views.**

The proposed alternative eligibility test appears to be less stringent to other Junior Markets. Also suggest including net assets consideration.

**Question 3**

**Do you agree with the proposal to reduce the post-IPO 24 month lock-up period imposed on controlling shareholders of GEM issuers to 12 months as set out in paragraph 76 of the Consultation Paper?**

Yes

**Please give reasons for your views.**

The lock-up period for GEM stocks should align with the stocks listed on the MB.

**Question 4**

**Should any other existing eligibility requirement for a listing on GEM be amended?**

Yes

**If so, please state the requirement(s) that should be amended and give reasons for your views.**

As mentioned in #2 above, suggest including net assets consideration which is quite common for other Junior Markets.

**Question 5**

**Do you agree with the proposed consequential and housekeeping amendments to the reverse takeover and extreme transaction Rules as set out in paragraphs 81 and 82 of the Consultation Paper?**

**Please give reasons for your views.**

**Question 6**

**Do you agree with the Exchange's proposal to remove GEM's compliance officer requirement as set out in paragraph 85(a) of the Consultation Paper?**

Yes

**Please give reasons for your views.**

Agree with the Exchange's proposal to 1) remove GEM's compliance officer requirement that at all times, one of its executive directors assumes responsibility for acting as the issuer's compliance officer; and 2) shorten the period of compliance adviser engagement of GEM issuer to allow the engagement period to be end on issuers published its first full financial year's result. GEM listing applicants today are mostly well established with a long history of operations at the time of application and GEM has entered into a more mature stage, it is expected the issuers shall be able to have a proper governance and responsible parties within the organization to carry out and be accountable to the compliance officer's responsibilities. It is assumed GEM's compliance officer will be experienced and possess sufficient knowledge about both the GEM listing rules as well as the company's listing obligations even the officer is not executive director of the company.

**Question 7**

**Do you agree with the Exchange's proposal to shorten the period of engagement of GEM issuers' compliance advisers and to remove the additional obligations currently imposed on a GEM issuer's compliance adviser as set out in paragraphs 85(b) and 86 of the Consultation Paper?**

Yes

**Please give reasons for your views.**

Agree with the Exchange's proposal to 1) remove GEM's compliance officer requirement that at all times, one of its executive directors assumes responsibility for acting as the issuer's compliance officer; and 2) shorten the period of compliance adviser engagement of GEM issuer to allow the engagement period to be end on issuers published its first full financial

year's result. GEM listing applicants today are mostly well established with a long history of operations at the time of application and GEM has entered into a more mature stage, it is expected the issuers shall be able to have a proper governance and responsible parties within the organization to carry out and be accountable to the compliance officer's responsibilities. It is assumed GEM's compliance officer will be experienced and possess sufficient knowledge about both the GEM listing rules as well as the company's listing obligations even the officer is not executive director of the company.

#### **Question 8**

**Should any other continuing obligation currently applicable to a GEM listed issuer also be removed?**

No

**If so, please state the requirement(s) and give reasons for your views.**

No other continuing obligation suggest to be removed. Existing proposal shall lessen cost of listing while ensure obligation/due diligence in place to maintain investor's confidence in the market.

#### **Question 9**

**Do you agree with the Exchange's proposal to remove quarterly financial reporting as a mandatory requirement for GEM issuers and instead introduce it as a recommended best practice in GEM's Corporate Governance Code?**

Yes

**Please give reasons for your views.**

Yes for listing applicants well established and had been in operations for years, however, mandatory disclosures should be imposed in exceptional case, e.g. auditors have issued an adverse opinion or qualified opinion, or there is going concern issue.

#### **Question 10**

**Do you agree with the Exchange's proposal to align the timeframes for GEM issuers to publish their annual reports, interim reports and preliminary announcements of results for the first half of each financial year with those for the Main Board, as set out in paragraphs 94 and 95 of the Consultation Paper?**

Yes

**Please give reasons for your views.**

Timely disclosure of financial information is critical to investors.

#### **Question 11**

**Do you agree that a streamlined mechanism should be introduced to enable qualified GEM issuers to transfer their listing to the Main Board?**

Yes

**Please give reasons for your views.**

A streamlined transfer mechanism without lowering the standard for such transfer is welcome.

**Question 12**

**Do you agree with the removal of the requirement for the appointment of a sponsor for the purpose of a streamlined transfer as set out in paragraph 108 of the Consultation Paper?**

Yes

**Please give reasons for your views.**

As long as the applicant could meet the standard requirement for MB listing, the sponsorship arrangement might not be necessary.

**Question 13**

**Do you agree with, for the purpose of a streamlined transfer, the removal of the requirement for a “prospectus-standard” listing document and other requirements as set out in paragraphs 111 to 114 of the Consultation Paper?**

Yes

**Please give reasons for your views.**

The necessary information could be retrieved from the financial reports and other announcements.

**Question 14**

**Do you agree with the track record requirements for a streamlined transfer applicant as set out in paragraphs 117 to 118 of the Consultation Paper?**

Yes

**Please give reasons for your views.**

Or maybe two full year track record would be sufficient.

**Question 15**

**Do you agree with the daily turnover and volume weighted average market capitalisation requirements for a streamlined transfer applicant as set out in paragraphs 120 to 133 of the Consultation Paper?**

No

**Please give reasons for your views.**

Suggest to follow standard rules for MB listing – if no specific requirement on liquidity, then not necessary to implement such for GEM transfer to MB.

**Question 16**

**Should the Minimum Daily Turnover Threshold for the Daily Turnover Test be set at: -  
Selected Choice**

**Please give reasons for your views.**

**Question 17**

**Do you agree with the proposed compliance record requirement for a streamlined transfer applicant as set out in paragraph 134 of the Consultation Paper?**

Yes

**Please give reasons for your views.**

Agree to the proposed compliance record requirement for a streamlined transfer applicant and to the proposed modification to the existing compliance record requirement for a transfer from GEM to Main Board given 1) lessen the compliance burden/cost which amounts to a significant expense to the transfer applicant hence encourages firm to be listed on GEM in times of the economic situation where firms are more cautious to expenditure/investment ; 2) certain control/due diligence including a) not have committed a serious breach of any listing rules in the 12 months; b) not be subject of any investigation by the Exchange/ongoing disciplinary proceedings) is in place and the applicant shall have already subject to a due diligence process previously for listing on GEM conducted to ensure the soundness and credibility of the listing rules that give the market certain level of confidence.

**Question 18**

**Do you agree with the proposed modification to the existing compliance record requirement for a transfer from GEM to the Main Board as set out in paragraph 136 of the Consultation Paper?**

Yes

**Please give reasons for your views.**

Agree to the proposed compliance record requirement for a streamlined transfer applicant

and to the proposed modification to the existing compliance record requirement for a transfer from GEM to Main Board given 1) lessen the compliance burden/cost which amounts to a significant expense to the transfer applicant hence encourages firm to be listed on GEM in times of the economic situation where firms are more cautious to expenditure/investment ; 2) certain control/due diligence including a) not have committed a serious breach of any listing rules in the 12 months; b) not be subject of any investigation by the Exchange/ongoing disciplinary proceedings) is in place and the applicant shall have already subject to a due diligence process previously for listing on GEM conducted to ensure the soundness and credibility of the listing rules that give the market certain level of confidence.

**Question 19**

**Do you agree that the Exchange should exempt GEM transferees to the Main Board from the Main Board initial listing fee?**

Yes

**Please give reasons for your views.**

The applicant already paid the fee for listing on GEM.