

**Submitted via Qualtrics**

**(Anonymous)**

**Company/Organisation view**

**Law Firm**

**Question 1.1(a)**

**Do you agree with our proposal to exclude securities that do not contribute to an open market in trading in Hong Kong from the calculation of the public float by requiring the public float percentage of securities new to listing be calculated normally by reference to the total number of securities of that class only (as set out in paragraph 44 of the Consultation Paper)?**

**Yes**

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

We agree with the rationale stated in the Consultation Paper.

**Question 1.1(b)**

**Do you agree with our proposal to exclude securities that do not contribute to an open market in trading in Hong Kong from the calculation of the public float by in the case of a PRC issuer with no other listed shares, requiring the numerator of its public float percentage to be calculated by reference to its H shares only, such that any shares it has in issue that are in the class to which H shares belong would only be included in the denominator (as set out in paragraph 45 of the Consultation Paper)?**

**Yes**

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

We agree with the rationale stated in the Consultation Paper.

**Question 1.1(c)**

**Do you agree with our proposal to exclude securities that do not contribute to an open market in trading in Hong Kong from the calculation of the public float by in the case of a PRC issuer with other listed shares (e.g. A shares listed on a PRC stock exchange), requiring**

**the numerator of its public float percentage to be calculated by reference to its H shares only, such that any other listed shares it has in issue would only be included in the denominator (as set out in paragraph 45 of the Consultation Paper)?**

Yes

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

We agree with the rationale stated in the Consultation Paper.

**Question 1.1(d)**

**Do you agree with our proposal to exclude securities that do not contribute to an open market in trading in Hong Kong from the calculation of the public float by in the case of an issuer with other share class(es) listed overseas, requiring the numerator of its public float percentage at listing to be calculated by reference to only the shares of the class for which listing is sought in Hong Kong, such that any shares of other classes it has in issue would only be included in the denominator (as set out in paragraph 46 of the Consultation Paper)?**

Yes

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

We agree with the rationale stated in the Consultation Paper.

**Question 1.2**

**Do you agree with our proposal to modify the requirement of MB Rule 8.09(1) (GEM Rule 11.23(2)(a)) to clarify that the minimum market value in public hands requirement applies to the securities for which listing is sought (as set out in paragraph 47 of the Consultation Paper)?**

Yes

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

We agree with the rationale stated in the Consultation Paper.

**Question 2.1**

**Do you agree that we should exclude from the definition of “the public” any person whose acquisition of securities has been financed by the**

**issuer and any person who is accustomed to take instructions from the issuer (as set out in paragraph 64 of the Consultation Paper)?**

Yes

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

We agree with the rationale stated in the Consultation Paper.

### **Question 2.2**

**Do you agree with our proposal to regard shares held by an independent trustee which are granted to independent scheme participants and unvested as shares held in public hands (as set out in paragraph 65 of the Consultation Paper)?**

Yes

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

We agree with the rationale stated in the Consultation Paper.

### **Question 3.1**

**Do you agree that we should replace the current minimum initial public float thresholds with tiered initial public float thresholds according to the expected market value of the class of securities for which listing is sought on the Exchange at the time of listing?**

Yes

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

We agree with the rationale stated in the Consultation Paper.

### **Question 3.2**

**Do you agree with the proposed tiered initial public float thresholds (as set out in Table 5 of the Consultation Paper)?**

Yes

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

We agree with the tiers set out in the Consultation Paper.

### **Question 3.3(a)**

**Do you agree that the proposed tiered initial public float thresholds should be applied to any class of equity securities new to listing on the Exchange, except for the initial listing of A+H issuers (and other prescribed types of issuers)?**

Yes

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

We agree with the rationale stated in the Consultation Paper.

**Question 3.3(b)**

**Do you agree that the proposed tiered initial public float thresholds should be applied to any class of equity securities new to listing on the Exchange, except for a bonus issue of a new class of securities (as set out in paragraph 79 of the Consultation Paper)?**

Yes

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

We agree with the rationale stated in the Consultation Paper.

**Question 3.4**

**Do you agree that all issuers disclose, in their listing documents, the initial public float threshold that is applicable to the class of securities they seek to list on the Exchange?**

Yes

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

Yes, disclosure is beneficial to investors. In addition, there should be disclosure after the over-allotment option is exercised (in full or in part).

**Question 3.5**

**Do you agree that the same tiered initial public float thresholds (as set out in Table 5 of the Consultation Paper) should be applied to GEM issuers?**

Yes

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

We agree with the rationale stated in the Consultation Paper.

**Question 4.1(a)**

**If our proposed initial public float thresholds (see proposals in Section I.B.1 and Section I.D.1 of Chapter 1 of the Consultation Paper) are supported by the market, we seek views on the appropriate ongoing public float requirements for issuers, subject to the initial public float tiers proposed (see Table 5 in Section I.B.1 of Chapter 1 of the Consultation Paper). Please give reasons for your views and any alternative suggestions.**

We strongly support amending the existing rules that an issuer must maintain its ongoing minimum public float at the level of its initial listing. The existing rules are not fit for purpose.

- The rules should be amended to introduce a new standard for issuers with larger market caps and public floats (based on dollar value) to maintain a lower ongoing minimum public float.

Reasons for Need to Change:

- Issuers are required to maintain an ongoing minimum public float at the level of its initial listing. This would either be 25% or, for issuers with a waiver, the actual public float (somewhere between 15-25%) at listing (including following the exercise of an over-allotment option).
- This means that many issuers have little or no room (“buffer”) to reduce its public float from the moment of its listing. Any buffer will only be created as a result of share issuance or disposals by non-public shareholders.
- Such issuers therefore have no ability (or buffer) to conduct share buybacks and take advantage of the new treasury shares regime, and non-public shareholders (including controlling shareholders and strategic investors) cannot increase their stake in the issuer either in support of its weak share price or as further investment. These can be harmful to, and not in the interests of, the issuer or shareholders (including public shareholders).

Issuers should not have to create a buffer themselves:

- As issuers began their initial listing at their ongoing minimum public float percentage, it would be unreasonable to assume that issuers/controlling shareholders can “create” a buffer through share issuances and disposals.

- Many issuers do not raise equity financing as they have no need for additional cash. This is particularly true for cash generative consumer sector and/or non-acquisitive companies. Investors do not like issuers raising equity financing as they can be dilutive.
- Similarly, disposals by controlling or strategic shareholders solely for the purpose of creating a buffer may not be in their interests, or the interests of the issuer, especially as investors expect controlling or strategic shareholders to demonstrate confidence in their shares through continued holding (and even increasing) their stakes.
- Even when it is in the interests of an issuer to conduct share buybacks etc., the issuer would not be able to obtain a waiver for this purpose. The current regime is too restrictive. The market understands that waivers are not available. The handful of waivers that have been granted were for specific reasons, and not for a general need for more “buffer” to manage an issuer’s capital. The introduction of a case-by-case waiver regime would be too uncertain for the market.

Issuers generate liquidity if they can better manage their capital structure:

- Investors especially institutional investors expect issuers to manage their capital structure (and returns on equity) through corporate actions such as buybacks.
- Investors also like to see controlling shareholders to demonstrate confidence in a weak share price by buying shares in the market.
- While statistical data shows that most breaches of public floats are the result of a general offer or a purchase of shares by a third party (including hostile third parties), this does not mean that there is no demand for a reduction of the ongoing public float requirement. Issuers will not conduct buybacks knowing that the public float would be breached (given a breach of the Listing Rules has regulatory implications).
- Reductions of public float (for example as a result of buybacks or purchases by the controlling shareholders) are not by definition contrary to enhancing liquidity. The current restrictive rules on public float contribute to stagnant trading and illiquidity.
- Liquidity is achieved through investor interest in the shares and the amount of tradeable “inventory” is not directly co-related to liquidity.
- Investors look at actions of an issuer and its controlling shareholders to make trading decisions. Issuers who manage their capital structure well will attract liquidity.

Suspension of trading due to breach of public float are not in the interests of issuers and public shareholders:

- The rules should be reformed by avoiding trading suspension to the extent possible to protect shareholders' ability to exit.
- Suspension with clear consequences of cancellation of listing should be targeted at egregious or extreme cases, such as those with a low public float and a low market capitalisation. These are issuers that are not suitable to have their continued status as a publicly listed company.

Key considerations of reforms of ongoing minimum public float:

- Avoidance of trading suspension other than in the most egregious or extreme cases.
- Issuers with larger market caps should have flexibility as they have a high value of shares in public hands.
- Recognition that a lower public float does not automatically mean lower liquidity as many other factors affect investors' trading decisions and an issuer's turnover.

Possible way forward:

- a. The current requirement that trading will be suspended if an issuer's public float falls below 15%, irrespective of the market value of its securities in public hands, should be abolished.
- b. A breach of the public float requirement is triggered if an issuer's public float falls below 25% or a specific threshold based on (1) the market value and (2) percentage of securities in public hands.
- c. This is on the basis that larger cap issuers should be considered differently to those that have a smaller market cap as well as a small percentage of its shares in public hands. Thresholds can be based on the initial public float tiers proposed in the Consultation Paper.
- d. A new category of the egregious or extreme cases should be introduced. Trading will be suspended if (1) an issuer's public float falls below

15% (the current suspension trigger point) and (2) its market cap falls below a prescribed amount (e.g., HK\$75m, which is based on 15% of the minimum initial market cap of HK\$500m).

e. An issuer must meet both tests to ensure that only those issues which are small and do not have sufficient shares in public hands fall into this category. We do not believe that issuers with a small market cap should automatically be regarded as not having sufficient shares in public hands.

f. Once an issuer is suspended from trading, the rules should provide that listing will be cancelled if public float is not restored within a reasonably short time frame. The current regime of allowing the Exchange with cancellation of listing powers at any time or following an 18-month prolonged suspension period lacks certainty.

#### **Question 4.1(b)**

**If our proposed initial public float thresholds (see proposals in Section I.B.1 and Section I.D.1 of Chapter 1 of the Consultation Paper) are supported by the market, we seek views on the appropriate ongoing public float requirements for: A+H issuers and other prescribed types of issuers (see Section I.D.1 of Chapter 1 of the Consultation Paper). Please give reasons for your views and any alternative suggestions.**

#### **Question 4.2**

**Should issuers be allowed the flexibility to maintain a lower public float level, after listing, than that required at listing, in view of the issues we have described in the Consultation Paper (see paragraphs 102 to 109 of the Consultation Paper)?**

Yes

**Please give reasons for your views.**

Please refer to our response to Question 4.1(a) above.

#### **Question 4.3**



**Should the existing regulatory approach of suspending trading of issuers with public float below a prescribed level (see paragraph 92(c) of the Consultation Paper) be maintained, in view of the issues we have described in the Consultation Paper (see paragraphs 110 to 111 of the Consultation Paper)?**

Yes

**Please give reasons for your views.**

Suspension should only be imposed in the most extreme cases. We agree with the Consultation Paper that suspension of trading is neither in the interests of public shareholders (as it denies them the ability to trade out of their position) nor in the interests of the issuer and investors given that it is extremely difficult to restore a public float while the shares are suspended from trading. Restoration actions during suspension may well be harmful to the financial interests of both the issuer and investors.

Please see our response to Question 4.1(a) on the proposals to suspend trading of issuers with public float below a prescribed level (together with a new test on market cap), with a consequence that listing will be cancelled if the minimum public float is not restored in a relatively short period of time (not the 18 months required for cancellation of listing for prolonged suspension).

#### **Question 4.4**

**Do you agree that ongoing public float requirements should be applied to shares only (as set out in paragraph 118 of the Consultation Paper)?**

Yes

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

We agree with the rationale stated in the Consultation Paper.

#### **Question 4.5**

**Do you agree that an OTC market should be established in Hong Kong (as set out in paragraph 119 of the Consultation Paper)?**

Yes

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

An OTC market allows minority public investors to trade out of their positions when the issuer is no longer suitable as a publicly listed company. However,

further thought will need to be given to the design of the OTC market as market makers are unlikely to be interested in acting for low value stocks, which are the ones that most likely require an OTC market for exits.

**Question 4.6(a)**

**What are your views on the potential benefits and risks of establishing an OTC market? Please give reasons for your views.**

See response to Question 4.5 above.

**Question 4.6(b)**

**What are your views on functions that an OTC market should serve? Please give reasons for your views.**

See response to Question 4.5 above.

**Question 4.6(c)**

**What are your views on whether such OTC market should be open to retail investors? Please give reasons for your views.**

Yes, it is often the retail investors who are left in delisted issuers and require an exit route.

**Question 5.1**

**Do you agree with our proposal to mandate disclosure of actual public float in listed issuers' annual reports?**

Yes

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

Yes, disclosure is beneficial to investors. At the moment, issuers only have to state that they meet the public float requirements without stating the actual public float, which lacks transparency.

**Question 5.2**

**Do you agree with the details proposed to be disclosed (as set out in paragraph 126 of the Consultation Paper), including that only persons connected at the issuer level would be required to be identified on an**

**individually named basis in the disclosure of shareholding composition (as set out in paragraph 126(b)(i)(1) and (2) of the Consultation Paper)?**

Yes

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

**Question 5.3**

**Do you agree that issuers should be required to disclose the relevant information based on information that is publicly available to the issuer and within the knowledge of its directors (as set out in paragraph 127 of the Consultation Paper)?**

Yes

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

**Question 6.1**

**Do you agree that the Exchange should require a minimum free float in public hands at the time of listing for all new applicants (as set out in paragraph 139 of the Consultation Paper)?**

Yes

**Please give reasons for your views.**

Yes, a minimum free float helps with more optimal pricing by “price setters” in an IPO.

**Question 6.2**

**Do you agree with our proposed initial free float thresholds (as set out in paragraph 140 of the Consultation Paper)?**

Yes

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

**Question 6.3**

**Do you agree with our proposed modification of the initial free float thresholds to PRC issuers (as set out in paragraphs 142 to 143 of the Consultation Paper)?**

Yes

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

**Question 6.4**

**Do you agree with our proposal to apply the proposed initial free float requirement to shares only (as set out in paragraph 144 of the Consultation Paper)?**

Yes

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

**Question 6.5**

**Do you agree that shares considered to be in public hands that are held by an independent trustee under a share scheme should not be counted towards the proposed initial free float requirement (as set out in paragraph 145 of the Consultation Paper)?**

Yes

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

**Question 6.6**

**Do you agree that existing free float related requirements for Biotech Companies and Specialist Technology Companies should be replaced with the proposed initial free float requirement so that the same requirement applies to all issuers (as set out in paragraph 146 of the Consultation Paper)?**

Yes

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

**Question 7.1**

**Do you agree with our proposed revised minimum thresholds on shares to be listed on the Exchange for A+H issuers and other prescribed types of issuers (as set out in paragraph 162 of the Consultation Paper)?**

Yes

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

**Question 7.2**

**Do you agree that the minimum initial public float thresholds for A+H issuers and other prescribed types of issuers should be the same as the minimum thresholds on shares to be listed on the Exchange (as set out in paragraph 164 of the Consultation Paper)?**

Yes

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

**Question 7.3**

**Do you agree with our proposal to remove the minimum market value requirement for the class sought to be listed by issuers with other share class(es) listed overseas and H shares of PRC issuers (as set out in paragraph 166 of the Consultation Paper)?**

Yes

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

**Question 8**

**In respect of the lock-up requirement on IPO securities placed to cornerstone investors, would you prefer to:**

retain the existing six-month lock-up (as set out in Option A in paragraph 205 of the Consultation Paper)

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

Having one lock-up expiry gives more certainty rather than a more prolonged overhang and uncertainty if the lock-up expiry is staggered.

**Question 9.1**

**Do you agree that at least 50% of the total number of shares initially offered in an IPO should be allocated to investors in the bookbuilding placing tranche (as set out in paragraphs 227 and 228 of the Consultation Paper)?**

Yes

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

Yes, this helps with more optimal pricing by “price setters” in an IPO and avoids over-reliance on cornerstones, which may have different pricing interests leading to sub-optimal pricing for all investors.

**Question 9.2**

**Do you agree that the proposed requirement should not be applied to the initial listing of Specialist Technology Companies (as set out in paragraphs 229 of the Consultation Paper)?**

Yes

**Please give reasons for your views.**

**Question 10.1**

**Do you agree with the proposed removal of the guideline on minimum spread of placees, being not less than three holders for each HK\$1 million of the placing, with a minimum of 100 holders in an IPO placing tranche (as set out in paragraph 230 of the Consultation Paper)?**

Yes

**Please give reasons for your views.**

**Question 10.2**

**Do you consider that other safeguarding measures should be implemented to ensure an adequate spread of holders in the placing tranche, in light of the proposal (as set out in paragraph 230 of the Consultation Paper)?**

Yes

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

### **Question 11.1**

**Do you agree with the proposal to require issuers to adopt either Mechanism A or Mechanism B with respect to a minimum allocation of offer shares to the public subscription tranche (as set out in paragraphs 248 to 250 of the Consultation Paper)?**

Yes

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

We agree with the proposal.

The clawback mechanism is unique to the Hong Kong market and is a significant contributor to mispricing of IPOs and the consequent price and trading volatility immediately following listing.

- **Mispricing Risk:** Issuers may engage local media commentaries to “hype up” an IPO, leading to massive over-subscription by retail investors. As retail investors are price takers, these issuers can effectively price their shares at the top end, which can be way above the fair valuation views of sophisticated investors. These hyped up IPOs can proceed because the issuer and its underwriters only have to fulfil 50% (after clawback) of the placing tranche, thereby significantly reducing price setter involvement in the price discovery and IPO allocation process. The mispricing risk is significant. A mispriced IPO is likely to lead to low investor interest and stagnant trading post-IPO, which is bad for market liquidity.
- **Strong Contributor to Illiquidity:** Institutional and sophisticated investors who are the major contributors to liquidity in Hong Kong will not buy into IPOs that are likely to be subject to a clawback. This is because (1) institutional and sophisticated investors know there is likely to be mispricing in

a “hot” IPO, and/or (2) their allocations will be significantly scaled back (because of the clawback), leaving them with sub-optimal (or even portfolio policy non-compliant) holdings in the stock. They may well sell out quickly and are unlikely to enter the market or top up their holdings following listing as they know that the price will be volatile as retail exit, and there is no quality investor base in the issuer to start with at the time of listing. Stocks can easily fall out of institutional investor attention even before trading starts after the IPO.

- **Retail Investor Protection:** Retail investors may wish the clawback mechanism to be retained (and local brokers too, as they earn significant financing interest in “hot” IPOs), as they enjoy the initial price spike immediately after trading starts, thereby making a “quick buck” from their IPO subscription and swift exit. However, retail investors (and local market commentators) overlook the fact that there is significant risk that (1) the share price does not spike when trading starts, (2) they may not be able to exit before share price comes down shortly after the IPO, and (3) some retail investors may “chase” an IPO by speculating after trading starts. These are important investor protection considerations

- **No or limited clawback does not mean retail investment is excluded:** A properly priced IPO should have a solid institutional investor base and the share price should not be volatile when trading starts. Share price health will be driven by investor trading and financial performance of the issuer. In properly priced IPOs under a reformed clawback mechanism as proposed, retail investors can still receive allocations in the IPOs, benefitting from stronger price setters participation, and can continue to buy in the stock post IPO to build up their stakes as a sound investment strategy rather than speculative trading. An improperly priced IPO as a result of a large clawback to retail is damaging to the stock’s long term liquidity

## **Question 11.2**

**Do you agree with the proposal to require Specialist Technology Companies to only adopt the existing initial allocation and clawback mechanism designed for them, i.e. Mechanism A (as set out in paragraph 251 of the Consultation Paper)?**

Yes



**Please give reasons for your views.**

**Question 12.1**

**Do you agree that we should retain the Allocation Cap?**

Yes

**Please give reasons for your views.**

**Question 12.2**

**Subject to the proposals on minimum allocation of offer shares to the public subscription tranche (as set out in paragraph 248 of the Consultation Paper) being adopted, do you agree with the proposed consequential amendments to the triggering conditions of the restrictions on Reallocation and PO Over-allocation (as set out in paragraph 262 of the Consultation Paper)?**

Yes

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

**Question 12.3**

**Subject to the proposals on minimum allocation of offer shares to the public subscription tranche (as set out in paragraph 248 of the Consultation Paper) being adopted, do you agree with the proposed consequential amendments to lower the proposed Maximum Allocation Cap Percentage Threshold from 30% to 15% (as set out in paragraph 263 of the Consultation Paper)?**

Yes

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

**Question 13.1**

**Do you agree that the Existing Pricing Flexibility Mechanism should be amended to include upward pricing flexibility?**

Yes

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

**Question 13.2**

**Do you agree with our proposals to adopt an offer price adjustment limit of 10% in both directions (as set out in paragraph 281 of the Consultation Paper)?**

Yes

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

**Question 13.3**

**In respect of the initial offer price range, would you prefer adjustment to be made:**

up to 30% of the bottom of that range (as set out in Option A of paragraph 282 of the Consultation Paper)

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

**Question 13.4**

**Do you agree with our Proposed Opt-in Arrangement (as set out in paragraphs 283 to 284 of the Consultation Paper)?**

Yes

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

**Question 13.5**

**Do you agree with our proposal to extend the current disclosure requirements (as set out in paragraph 285 of the Consultation Paper)?**

Yes

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

**Question 14**

**Do you agree with our proposals to make consequential and housekeeping amendments to the Placing Guidelines (as set out in paragraphs 302 and 303 of the Consultation Paper and Appendices I and II to the Consultation Paper)?**

Yes

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

**Question 15**

**Do you agree with our proposal to disapply the proposed initial public float requirement in the case of a bonus issue of a new class of securities involving options, warrants or similar rights to subscribe for or purchase shares (as set out in paragraph 306 of the Consultation Paper)?**

Yes

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

**Question 16**

**Do you agree with our proposal to add new provisions under Appendices D1A and D1B to the Main Board Listing Rules to require disclosure of the minimum prescribed percentage of public float in listing documents (as set out in paragraph 311 of the Consultation Paper)?**

Yes

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

Yes, but there should be disclosure after the over-allotment option is exercised (in full or in part).

**Question 17**

**Do you agree with our proposal to waive the initial free float requirement for overseas issuers that have, or are seeking, a secondary listing on the Exchange (as set out in paragraph 315 of the Consultation Paper)?**

Yes

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

**Question 18**

**Do you agree with our proposal to repeal the requirement that PRC issuers list H-shares that have an expected market value, at the time of listing, of HK\$50 million (as set out in paragraph 319 of the Consultation Paper)?**

Yes

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

**Question 19**

**Subject to the proposals on minimum allocation of offer shares to the public subscription tranche (as set out in paragraph 248 of the Consultation Paper) being adopted, do you agree with the proposed consequential amendment to enable GEM listing applicants to choose either Mechanism A or Mechanism B (as set out in paragraph 325 of the Consultation Paper)?**

Yes

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

**Question 20.1**

**Do you agree with our proposals on the determination of market capitalisation for new applicants that have other classes of shares apart from the class for which listing is sought or are PRC issuers (as set out in paragraph 333 of the Consultation Paper)?**

Yes

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

**Question 20.2**

**Do you agree with our proposal to introduce an equivalent GEM Listing Rule provision on the basis for determining the market value of other class(es) of shares for a new applicant (as set out in paragraph 335 of the Consultation Paper)?**

Yes

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

**Question 21**

**Do you agree with our proposal to amend the Listing Rules (MB Rule 12.02 (GEM Rule 16.07)) to require issuers to publish a formal notice on the date of issue of a listing document for offers or placings where any amount placed is made available directly to the general public (as set out in paragraph 339 of the Consultation Paper)?**

Yes

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

**Question 22.1**

**Do you agree with our proposal to amend Chapter 18B of the Main Board Listing Rules so that the open market requirements of MB Rule 8.08 do not apply to Successor Company's warrants (as set out in paragraph 349(a) of the Consultation Paper)?**

Yes

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

**Question 22.2**

**Do you agree with our proposal to amend Chapter 18B of the Main Board Listing Rules so that the minimum market value requirement of MB Rule 8.09(4) does not apply to SPAC Warrants and Successor Company's warrants (as set out in paragraph 349(b) of the Consultation Paper)?**

Yes

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

**Question 23**

**Do you agree with our proposal to amend MB Rule 18C.08 so that the 50% minimum requirement is to be determined by reference to the total number of shares initially offered in the IPO (as set out in paragraph 352 of the Consultation Paper)?**

Yes

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

**Overall Comments**

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