

**Hong Kong Exchanges and Clearing Limited**  
**8/F, Two Exchange Square**  
**8 Connaught Place**  
**Central, Hong Kong**

**By Email**

**18 March 2025**

**Subject: Response to the Consultation Paper titled "Proposals to Optimise IPO Price Discovery and Open Market Requirements" (the "Consultation") published on 19 December 2024 by Hong Kong Exchanges and Clearing Limited ("HKEX" or the "Stock Exchange").**

Dear Sir/Madam,

We, [REDACTED], hereby enclose the following response to the Consultation for your consideration.

We appreciate the HKEX's efforts to optimise the pricing process and enhance the attractiveness of the Hong Kong market. We have carefully reviewed the Consultation and provided our insights based on our experience in the capital markets as well as feedback from investors and our issuer clients. We look forward to the opportunity to have further discussions with you if needed.

Unless otherwise indicated, the terms used in this response shall have the same meanings as those defined in the Consultation.

We kindly request that our name not be disclosed in the consultation conclusions to be published by HKEX.

Should you have any questions in relation to the above, please do not hesitate to contact [REDACTED]  
[REDACTED]  
[REDACTED]

Yours faithfully,

[REDACTED]

No.	Questions and Response
1.1	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:
<p>■ Reply</p>	<p>We support the proposal to exclude securities that do not contribute to an open market in Hong Kong from the calculation of the public float as it more accurately reflects the public float concept and brings Hong Kong closer with the requirements in other international markets.</p> <p>Given the importance of this matter, in particular the number of A to H companies seeking a listing in Hong Kong and concerned with dilution, we propose that the implementation date of this proposal, not be subject to the outcome of a further consultation on the ongoing public float requirements.</p>
(a)	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)?
<p>■ Reply</p>	See response to Q1.1.
(b)	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)?
<p>■ Reply</p>	See response to Q1.1.
(c)	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)?
<p>■ Reply</p>	See response to Q1.1.
(d)	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)?
<p>■ Reply</p>	See response to Q1.1.

No.	Questions and Response
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 <u>which listing is sought</u> (as set out in paragraph 47 of the Consultation Paper)?
<div style="background-color: black; width: 20px; height: 12px; margin-bottom: 2px;"></div> Reply	Yes.
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)?
<div style="background-color: black; width: 20px; height: 12px; margin-bottom: 2px;"></div> Reply	Yes.
2.2	If your answer to Question 2.1 is “yes”, 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)?
<div style="background-color: black; width: 20px; height: 12px; margin-bottom: 2px;"></div> Reply	Yes.
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?
<div style="background-color: black; width: 20px; height: 12px; margin-bottom: 2px;"></div> Reply	Yes. This should provide greater certainty on the listing requirements and process in Hong Kong. However we believe there should still be flexibility for waivers to be granted, but only in the most exceptional cases.

No.	Questions and Response															
3.2	If your answer to question 3.1 is “yes,” do you agree with the proposed tiered initial public float thresholds (as set out in in Table 5 of the Consultation Paper)?															
<div style="background-color: black; width: 20px; height: 15px; margin-bottom: 5px;"></div> Reply	<p>We propose that the tiered initial public float thresholds be lowered, as indicated in red below, to provide greater flexibility for large-scale issuers:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Tier</th> <th style="width: 40%;">Market cap of the securities for which listing is sought (at the time of listing)</th> <th style="width: 50%;">Proposed minimum initial public float of the listed securities</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>≤ HK\$6bn</td> <td>25%</td> </tr> <tr> <td>B</td> <td>&gt; HK\$6bn to ≤ HK\$20 bn</td> <td>The higher of: i. % of HK\$1.5bn/market cap; and ii. 15%</td> </tr> <tr> <td>C</td> <td>&gt; HK\$20 bn to ≤ HK\$50bn</td> <td>The higher of: i. % of HK\$3.0bn/market cap; and ii. 10%</td> </tr> <tr> <td>D</td> <td>&gt; HK\$50bn</td> <td>The higher of: i. % of HK\$5.0bn/market cap; and ii. 5%</td> </tr> </tbody> </table>	Tier	Market cap of the securities for which listing is sought (at the time of listing)	Proposed minimum initial public float of the listed securities	A	≤ HK\$6bn	25%	B	> HK\$6bn to ≤ HK\$20 bn	The higher of: i. % of HK\$1.5bn/market cap; and ii. 15%	C	> HK\$20 bn to ≤ HK\$50bn	The higher of: i. % of HK\$3.0bn/market cap; and ii. 10%	D	> HK\$50bn	The higher of: i. % of HK\$5.0bn/market cap; and ii. 5%
Tier	Market cap of the securities for which listing is sought (at the time of listing)	Proposed minimum initial public float of the listed securities														
A	≤ HK\$6bn	25%														
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C	> HK\$20 bn to ≤ HK\$50bn	The higher of: i. % of HK\$3.0bn/market cap; and ii. 10%														
D	> HK\$50bn	The higher of: i. % of HK\$5.0bn/market cap; and ii. 5%														
3.3	If your answer to question 3.2 is “yes”, 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) the initial listing of A+H issuers (and other prescribed types of issuers); and (b) a bonus issue of a new class of securities (as set out in paragraph 79 of the Consultation Paper)?															
<div style="background-color: black; width: 20px; height: 15px; margin-bottom: 5px;"></div> Reply	Yes.															
3.4	If your answer to question 3.1 is yes, 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?															
<div style="background-color: black; width: 20px; height: 15px; margin-bottom: 5px;"></div> Reply	Yes.															
3.5	If your answer to question 3.2 is yes, 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?															
<div style="background-color: black; width: 20px; height: 15px; margin-bottom: 5px;"></div> Reply	Yes.															

No.	Questions and Response
4.1	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)	Issuers, subject to the initial public float tiers proposed (see Table 5 in Section I.B.1 of Chapter 1 of the Consultation Paper); and
<div style="background-color: black; width: 20px; height: 10px; margin-bottom: 5px;"></div> Reply	See response to Q.4.2.
(b)	A+H issuers and other prescribed types of issuers (see Section I.D.1 of Chapter 1 of the Consultation Paper).
<div style="background-color: black; width: 20px; height: 10px; margin-bottom: 5px;"></div> Reply	See response to Q.4.2.
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)?
<div style="background-color: black; width: 20px; height: 10px; margin-bottom: 5px;"></div> Reply	<p>We support the view to relax the public float requirement post-listing as it would provide more flexibility for issuers to conduct capital markets and mergers and acquisitions activities post listing to cater to market and its own developments.</p> <p>In identifying issuers as Low PF Issuers, we suggest adopting an approach to assess an issuer's volume weighted average market value of shares over a period of time (e.g. 90 days), in order to more fairly assess an issuer's public float.</p> <p>We reiterate that this proposal does not need to be implemented together with the initial public float proposal, but if this shall be the case, we suggest that this proposal be implemented as soon as possible given the benefit we expect the reduced initial public float proposal would have on the Hong Kong market.</p>
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)?
<div style="background-color: black; width: 20px; height: 10px; margin-bottom: 5px;"></div> Reply	<p>We believe that the existing regulatory approach of suspending trading for Low PF Issuers should be maintained, especially if the basis of identifying a Low PF Issuer will be changed. Without the consequence of suspension, Low PF Issuers would have very limited incentives, if any, to actively comply with the requirements proposed by the Exchange. Additionally, this approach aligns with the requirement to restore the minimum public float in reverse takeover or white knight situations.</p>

No.	Questions and Response
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)?
<div style="background-color: black; width: 20px; height: 10px; display: inline-block;"></div> Reply	Yes.
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)?
<div style="background-color: black; width: 20px; height: 10px; display: inline-block;"></div> Reply	<p>We do not support the proposal for establishing an OTC market in Hong Kong due to the following considerations:</p> <ul style="list-style-type: none"> <li>– Insufficient Number of Companies: We understand HKEx's concerns about the lack of an alternative trading platform for delisted securities. An OTC market might serve these delisted companies by providing their shareholders a platform to trade out of their positions. However, based on the Monthly Prolonged Suspension Status Report (Main Board) as of 28 January 2025, published by HKEx, there were only 29 Main Board long-suspended companies delisted in 2024. There may not be enough companies to sustain the OTC market</li> <li>– Minimal Trading Volume: The trading volume might be minimal, as the target companies in this category are typically lower liquidity companies with small market values</li> <li>– Lack of Investor Protection: There is a lack of protection for retail investors in this OTC market, which could expose them to higher risks</li> </ul>
4.6	What are your views on:
(a)	the potential benefits and risks of establishing an OTC market;
<div style="background-color: black; width: 20px; height: 10px; display: inline-block;"></div> Reply	We do not support the proposal for establishing an OTC market in Hong Kong. See response to Q.4.5.
(b)	functions that an OTC market should serve; and
<div style="background-color: black; width: 20px; height: 10px; display: inline-block;"></div> Reply	We do not support the proposal for establishing an OTC market in Hong Kong.
(c)	whether such OTC market should be open to retail investors?
<div style="background-color: black; width: 20px; height: 10px; display: inline-block;"></div> Reply	We do not support the proposal for establishing an OTC market in Hong Kong.
5.1	Do you agree with our proposal to mandate disclosure of actual public float in listed issuers' annual reports?
<div style="background-color: black; width: 20px; height: 10px; display: inline-block;"></div> Reply	Yes.

No.	Questions and Response															
5.2	If your answer to Question 5.1 is “yes”, 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)?															
<div style="background-color: black; width: 20px; height: 10px; display: inline-block; vertical-align: middle;"></div> Reply	Yes.															
5.3	If your answer to Question 5.1 is “yes”, 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)?															
<div style="background-color: black; width: 20px; height: 10px; display: inline-block; vertical-align: middle;"></div> Reply	Yes.															
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)?															
<div style="background-color: black; width: 20px; height: 10px; display: inline-block; vertical-align: middle;"></div> Reply	<p>We do not support the proposal that requires a minimum free float in public hands at the time of listing for all new applicants. While we understand that the intention behind this requirement is to enhance market liquidity, we believe that liquidity is influenced by a variety of qualitative and quantitative factors, including but not limited to market capitalization, free float, market sentiment, and the issuer's position and development. The requirement for a minimum free float may not necessarily improve market liquidity.</p> <p>We summarized the Averaged Daily Trading Volume (“ADTV”) of companies listed on HKEx with offering size over US\$50 million between January 2020 and July 2024 (the “Period”) as follows (please see “Appendix I – ADTV Analysis” for details). Based on the summary, we notice that ADTV does not necessarily increase with the expiry of lock-up of cornerstone investors. Out of the 153<sup>3</sup> companies analysed, only 20 companies’ 1M ADTV (post lock-up)<sup>1</sup> are more than their 1M ADTV (post IPO)<sup>2</sup></p> <table border="1" data-bbox="342 1360 1377 1549"> <thead> <tr> <th>ADTV</th> <th>1M post IPO (US\$m)</th> <th>1M post lock-up (US\$m)</th> </tr> </thead> <tbody> <tr> <td>Highest ADTV during the Period</td> <td>949.4</td> <td>372.1</td> </tr> <tr> <td>Lowest ADTV during the Period</td> <td>0.2</td> <td>0.0</td> </tr> <tr> <td>Median of ADTV during the Period</td> <td>8.3</td> <td>1.6</td> </tr> <tr> <td>Averaged ADTV during the Period</td> <td>25.9</td> <td>11.8</td> </tr> </tbody> </table> <p>Furthermore, we believe that the Exchange's proposal to adopt a staggered release of the six-month lock-up for cornerstone investors, as well as the no less than 50% allocation to investors in the bookbuilding placing tranche, are effective measures to ensure sufficient free float at the time of listing.</p> <p><i>Note:</i></p> <ol style="list-style-type: none"> <li>1M ADTV (post IPO) shows the ADTV of the first full month after the listing.</li> <li>1M ADTV (post lock-up) shows ADTV the of the first full month after the cornerstone lock up period, which is 6 months following the first trading day.</li> <li>Does not include the 59 companies for which 1M ADTV is not available.</li> </ol>	ADTV	1M post IPO (US\$m)	1M post lock-up (US\$m)	Highest ADTV during the Period	949.4	372.1	Lowest ADTV during the Period	0.2	0.0	Median of ADTV during the Period	8.3	1.6	Averaged ADTV during the Period	25.9	11.8
ADTV	1M post IPO (US\$m)	1M post lock-up (US\$m)														
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Median of ADTV during the Period	8.3	1.6														
Averaged ADTV during the Period	25.9	11.8														

No.	Questions and Response
6.2	If your answer to Question 6.1 is “yes”, do you agree with our proposed initial free float thresholds (as set out in paragraph 140 of the Consultation Paper)?
<div style="background-color: black; width: 20px; height: 15px; margin-bottom: 5px;"></div> Reply	N/A.
6.3	If your answer to Question 6.1 is “yes”, 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)?
<div style="background-color: black; width: 20px; height: 15px; margin-bottom: 5px;"></div> Reply	N/A.
6.4	If your answer to Question 6.1 is “yes”, 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)?
<div style="background-color: black; width: 20px; height: 15px; margin-bottom: 5px;"></div> Reply	N/A.
6.5	If your answer to Question 6.1 is “yes”, 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)?
<div style="background-color: black; width: 20px; height: 15px; margin-bottom: 5px;"></div> Reply	N/A.
6.6	If your answer to Question 6.1 is “yes”, 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)?
<div style="background-color: black; width: 20px; height: 15px; margin-bottom: 5px;"></div> Reply	N/A.
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)?
<div style="background-color: black; width: 20px; height: 15px; margin-bottom: 5px;"></div> Reply	Yes.
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)?
<div style="background-color: black; width: 20px; height: 15px; margin-bottom: 5px;"></div> Reply	Yes.

No.	Questions and Response
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)?
<div style="background-color: black; width: 20px; height: 10px; margin-bottom: 5px;"></div> Reply	Yes.
8	<p>In respect of the lock-up requirement on IPO securities placed to cornerstone investors, would you prefer to:</p> <p>(a) retain the existing six-month lock-up (as set out in Option A in paragraph 205 of the Consultation Paper); or</p> <p>(b) allow a staggered release of the six-month lock-up (as set out in Option B in paragraph 205 of the Consultation Paper)?</p>
<div style="background-color: black; width: 20px; height: 10px; margin-bottom: 5px;"></div> Reply	We support option (b) of a staggered release of six-months lock-up period, as we believe this option reflects the market's expectation of a lock-up for cornerstone investors who enjoy preferred allocation, while at the same time paces the relief of overhang of cornerstone shares.
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)?
<div style="background-color: black; width: 20px; height: 10px; margin-bottom: 5px;"></div> Reply	<p>We agree that we should ensure all IPOs have a significant amount of shares allocated to the bookbuilding placing tranche. However, we propose we should achieve this by prescribing a maximum of 50% of shares offered in an IPO to be allocated to cornerstone investors:</p> <ul style="list-style-type: none"> <li>– Potential scale back of cornerstone's allocation based on final allocation after clawback can be perceived as unfair by cornerstone investors, who help set the price range, undertake to subscribe for certain amount of shares regardless of the final price range, and are subject to lock-up. Other placees under the bookbuilding placing tranche and retail investors do not have to make such undertakings at an early stage, and are free to sell their shares immediately after listing</li> <li>– Some cornerstone investors may not be able to adjust their investment size two days before the dealing in shares commences due to their internal approval procedure. In particular, for Chinese investors investing through QDII, such adjustment in a short period of time is extremely challenging</li> <li>– Cornerstone investors need certainty as to their allocation to make early commitment</li> </ul>
9.2	If your answer to Question 9.1 is "yes", 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)?
<div style="background-color: black; width: 20px; height: 10px; margin-bottom: 5px;"></div> Reply	Yes.

No.	Questions and Response
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)?
<div style="background-color: black; width: 20px; height: 10px; margin-bottom: 5px;"></div> Reply	Yes.
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)?
<div style="background-color: black; width: 20px; height: 10px; margin-bottom: 5px;"></div> Reply	We believe that the proposed requirement for a minimum allocation to the bookbuilding placing tranche (or our proposal to limit the allocation to cornerstone investors), along with the proposed Allocation Cap for the public tranche, are sufficient to ensure an adequate spread of holders of the securities in the placing tranche. Therefore, we think other safeguarding measures do not necessarily need to be further implemented.
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)?
<div style="background-color: black; width: 20px; height: 10px; margin-bottom: 5px;"></div> Reply	Yes. We support the adoption of two mechanisms to provide issuers with flexibility.
11.2	If your answer to Question 11.1 is “yes”, 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)?
<div style="background-color: black; width: 20px; height: 10px; margin-bottom: 5px;"></div> Reply	Yes.
12.1	Do you agree that we should retain the Allocation Cap?
<div style="background-color: black; width: 20px; height: 10px; margin-bottom: 5px;"></div> Reply	Yes.
12.2	If your answer to Question 12.1 is “yes” and 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)?
<div style="background-color: black; width: 20px; height: 10px; margin-bottom: 5px;"></div> Reply	Yes.

No.	Questions and Response
12.3	If your answer to Question 12.1 is “yes” and 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)?
<p>■ Reply</p>	Yes.
13.1	Do you agree that the Existing Pricing Flexibility Mechanism should be amended to include upward pricing flexibility?
<p>■ Reply</p>	We support the proposal to include both upward and downward pricing flexibility. However, we believe that issuers should also be given the flexibility not only in pricing but also in the number of shares offered, similar to practices in overseas markets such as the US. This approach allows issuers to achieve the same adjustment in fundraising without the negative connotations associated with raising or cutting the offering price.
13.2	If your answer to Question 13.1 is “yes”, 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)?
<p>■ Reply</p>	Yes.
13.3	If your answer to Question 13.1 is “yes”, in respect of the initial offer price range, would you prefer adjustment to be made:
(a)	up to 30% of the bottom of that range (as set out in Option A of paragraph 282 of the Consultation Paper); or
(b)	up to 20% of the bottom of that range (as set out in Option B of paragraph 282 of the Consultation Paper)?
<p>■ Reply</p>	We support option (a), for greater flexibility.
13.4	If your answer to Question 13.1 is “yes”, do you agree with the Proposed Opt-in Arrangement (as set out in paragraphs 283 to 284 of the Consultation Paper)?
<p>■ Reply</p>	We do not support given this may cause uncertainty and administrative challenges to the allocation process. Provided there is sufficient disclosure upfront, investors should be prepared to subscribe for the shares across the different price scenarios.
13.5	If your answer to Question 13.1 is “yes”, do you agree with our proposal to extend the current disclosure requirements (as set out in paragraph 285 of the Consultation Paper)?
<p>■ Reply</p>	Yes.

No.	Questions and Response
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)?
<div style="background-color: black; width: 20px; height: 10px; margin-bottom: 2px;"></div> Reply	Yes.
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)?
<div style="background-color: black; width: 20px; height: 10px; margin-bottom: 2px;"></div> Reply	Yes.
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)?
<div style="background-color: black; width: 20px; height: 10px; margin-bottom: 2px;"></div> Reply	Yes.
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)?
<div style="background-color: black; width: 20px; height: 10px; margin-bottom: 2px;"></div> Reply	N/A. We propose not to impose any free float requirement to secondary listing issuers.
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)?
<div style="background-color: black; width: 20px; height: 10px; margin-bottom: 2px;"></div> Reply	Yes.
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)?
<div style="background-color: black; width: 20px; height: 10px; margin-bottom: 2px;"></div> Reply	Yes.
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)?
<div style="background-color: black; width: 20px; height: 10px; margin-bottom: 2px;"></div> Reply	Yes.

No.	Questions and Response
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)?
<div style="background-color: black; width: 20px; height: 10px; margin-bottom: 2px;"></div> Reply	Yes.
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)?
<div style="background-color: black; width: 20px; height: 10px; margin-bottom: 2px;"></div> Reply	Yes.
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)?
<div style="background-color: black; width: 20px; height: 10px; margin-bottom: 2px;"></div> Reply	Yes.
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)?
<div style="background-color: black; width: 20px; height: 10px; margin-bottom: 2px;"></div> Reply	Yes.
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)?
<div style="background-color: black; width: 20px; height: 10px; margin-bottom: 2px;"></div> Reply	Yes.

## Appendix I – ADTV Analysis

Company	Pricing Date	Market Cap at IPO (US\$m)	1M ADTV US\$m (post-IPO) <sup>(1)</sup>	1M ADTV US\$m (post lock-up) <sup>(2)</sup>
Jiumaojiu International Holdings Ltd	1/8/2020	1,178	47.1	28.1
Beijing Enterprises Urban Resources Group Ltd	1/8/2020	321	1.7	3.8
Huijing Holdings Co Ltd	1/9/2020	1,308	1.7	1.7
Activation Group Holdings Ltd	1/9/2020	209	4.8	0.4
Shanghai Gench Education Group Ltd	1/9/2020	324	3.3	0.1
Lvji Technology Holdings Inc	1/10/2020	386	5.6	0.4
Zhongguancun Science-Tech Leasing Co Ltd	1/14/2020	262	0.6	0.0
China Bright Culture Group	3/5/2020	467	1.7	3.1
InnoCare Pharma Ltd	3/16/2020	1,489	23.5	2.0
Akeso Inc	4/17/2020	1,643	53.8	6.4
Peijia Medical Ltd	5/8/2020	1,254	36.4	3.5
Central China New Life Ltd	5/8/2020	1,100	32.7	2.0
Kintor Pharmaceutical Ltd	5/15/2020	960	18.3	1.4
Yeahka Ltd	5/25/2020	910	24.3	18.5
Kangji Medical Holdings Ltd	6/19/2020	2,243	59.0	8.7
Hygeia Healthcare Holdings Co Ltd	6/19/2020	1,475	25.8	56.6
Financial Street Property Co Ltd	6/24/2020	355	11.0	0.7
Redsun Services Group Ltd	6/30/2020	222	8.5	0.8
Smoores International Holdings Ltd	7/3/2020	9,327	225.7	341.0
Ocumension Therapeutics	7/3/2020	1,118	26.4	9.8
Zhenro Services Group Ltd	7/3/2020	609	1.1	1.6
Greentown Management Holdings Co Ltd	7/3/2020	632	12.9	1.4
Immunotech Biopharm Ltd	7/3/2020	730	12.7	1.2
Ganglong China Property Group Ltd	7/3/2020	827	14.7	2.3
Archosaur Games Inc	7/7/2020	1,221	37.7	6.4
Shandong Fengxiang Co Ltd	7/7/2020	602	2.8	2.3
Cathay Media & Education Group Inc	7/8/2020	664	12.9	11.7

Company	Pricing Date	Market Cap at IPO (US\$mn)	1M ADTV US\$mn (post-IPO) <sup>(1)</sup>	1M ADTV US\$mn (post lock-up) <sup>(2)</sup>
China Bohai Bank Co Ltd	7/10/2020	11,001	8.3	0.5
Nongfu Spring Co Ltd	8/28/2020	31,200	137.3	71.4
Yum China Holdings Inc	9/4/2020	22,280	57.5	10.7
Fulu Holdings Ltd	9/11/2020	459	16.8	0.9
Joy Spreader Interactive Technology Ltd	9/15/2020	812	42.8	3.5
Ming Yuan Cloud Group Holdings Ltd	9/18/2020	4,103	101.0	29.8
ZTO Express (Cayman) Inc	9/22/2020	23,506	19.8	4.7
Zai Lab Ltd	9/22/2020	6,347	10.2	7.4
Neusoft Education Technology Co Ltd	9/22/2020	535	10.8	0.7
Baozun Inc	9/23/2020	2,495	10.6	2.4
JHBP (CY) Holdings Ltd	9/28/2020	1,520	30.4	1.0
Everest Medicines Ltd	9/30/2020	2,081	34.3	2.8
Excellence Commercial Property & Facilities Management Ltd	10/12/2020	1,685	18.8	4.5
First Service Holding Ltd	10/15/2020	310	3.6	0.2
Simcere Pharmaceutical Group Ltd	10/19/2020	4,611	14.1	3.0
Radiance Holdings (Group) Co Ltd	10/21/2020	2,244	2.9	2.2
KWG Living Group Holdings Ltd	10/22/2020	2,054	23.1	7.0
Shimao Services Holdings Co Ltd	10/23/2020	5,066	23.7	17.2
JW (Cayman) Therapeutics Co Ltd	10/28/2020	1,191	23.3	8.8
RemeGen Co Ltd	11/2/2020	3,293	24.4	14.5
Jinke Smart Services Group Co Ltd	11/10/2020	3,765	19.8	9.5
Sunkwan Properties Group Ltd	11/10/2020	610	0.9	0.7
Shinsun Holdings (Group) Co Ltd	11/11/2020	2,195	2.4	1.5
Sunac Services Holdings Ltd	11/12/2020	4,645	32.1	30.7
Antengene Corp Ltd	11/12/2020	1,566	15.0	3.2
Evergrande Property Services Group Ltd	11/26/2020	12,264	39.9	77.0
JD Health	12/1/2020	29,026	389.3	77.8
China Resources Mixc Lifestyle Services Ltd	12/1/2020	6,568	62.9	30.2

Company	Pricing Date	Market Cap at IPO (US\$mn)	1M ADTV US\$mn (post-IPO) <sup>(1)</sup>	1M ADTV US\$mn (post lock-up) <sup>(2)</sup>
Jiayuan Services Holdings Ltd	12/2/2020	305	0.8	1.0
Leading Holdings Group Ltd	12/3/2020	754	0.6	1.0
Pop Mart International Group Ltd	12/4/2020	6,967	115.2	37.1
HBM Holdings Ltd	12/4/2020	1,227	8.7	3.2
Datang Group Holdings Ltd	12/4/2020	802	0.9	0.6
Blue Moon Group Holdings Ltd	12/9/2020	9,949	124.8	16.2
Netjoy Holdings Ltd	12/10/2020	721	3.7	2.4
Sino-Ocean Service Holding Ltd	12/10/2020	898	22.2	1.1
Jacobio Pharmaceuticals Group Co Ltd	12/14/2020	1,394	11.1	6.6
Vesync Co Ltd	12/14/2020	830	38.9	4.7
Huisen Household International Group Ltd	12/18/2020	701	15.5	3.8
Zero2IPO Holdings Inc	12/21/2020	434	8.0	0.7
Newlink Technology Inc	12/24/2020	450	11.7	0.7
Yidu Tech Inc	1/8/2021	3,140	100.1	5.8
Strawbear Entertainment Group	1/8/2021	522	2.9	0.3
Roiserv Lifestyle Services Co Ltd	1/8/2021	653	20.2	0.7
E-Star Commercial Management Co Ltd	1/19/2021	508	8.1	0.8
Kuaishou Technology	1/29/2021	61,713	949.4	372.1
MicroPort CardioFlow Medtech Corp	1/29/2021	3,773	45.1	11.6
Suzhou Basecare Medical Corp Ltd	2/1/2021	966	21.2	0.7
New Horizon Health Ltd	2/10/2021	1,477	52.2	6.6
SciClone Pharmaceuticals (Holdings) Ltd	2/24/2021	1,644	11.7	0.5
Cheerwin Group Ltd	3/3/2021	1,583	20.2	1.7
Bilibili Inc	3/23/2021	31,001	79.3	48.3
Bairong Inc	3/25/2021	2,032	16.0	0.9
Linklogis Inc	3/31/2021	5,291	57.5	5.3
Zhaoke Ophthalmology Ltd	4/21/2021	1,160	9.5	0.6
SF Real Estate Investment Trust	5/10/2021	514	5.1	0.4

Company	Pricing Date	Market Cap at IPO (US\$mn)	1M ADTV US\$mn (post-IPO) <sup>(1)</sup>	1M ADTV US\$mn (post lock-up) <sup>(2)</sup>
New Hope Service Holdings Ltd	5/14/2021	399	1.5	0.1
JD Logistics Inc	5/21/2021	32,199	116.0	26.0
Central China Management Co Ltd	5/25/2021	1,276	5.3	0.6
Angelalign Technology Inc	6/8/2021	3,758	63.5	12.8
China Youran Dairy Group Ltd	6/10/2021	3,418	15.2	2.5
CARsgen Therapeutics Holdings Ltd	6/10/2021	2,401	18.0	5.2
Morimatsu International Holdings Co Ltd	6/18/2021	332	21.1	1.8
Yuexiu Services Group Ltd	6/21/2021	958	10.0	1.6
HUTCHMED (China) Ltd	6/23/2021	4,398	29.6	4.8
Nayuki Holdings Ltd	6/23/2021	4,382	31.5	3.4
SCE Intelligent Commercial Management Holdings Ltd	6/24/2021	991	5.9	1.4
Zylox-Tonbridge Medical Technology Co Ltd	6/28/2021	1,831	22.7	0.1
Chaoju Eye Care Holdings Ltd	6/29/2021	940	22.1	0.3
XPeng Inc	6/30/2021	36,273	41.3	44.3
Keymed Biosciences Inc	7/2/2021	1,924	25.0	1.3
Brii Biosciences Ltd	7/6/2021	2,067	22.4	9.1
South China Vocational Education Group Co Ltd	7/6/2021	274	1.3	0.0
Medlive Technology Co Ltd	7/7/2021	2,503	32.1	2.5
Global New Material International Holdings Ltd	7/7/2021	500	6.3	2.5
Kindstar Globalgene Technology Inc	7/8/2021	1,143	10.5	0.4
China General Education Group Ltd	7/8/2021	241	0.6	0.3
BetterLife Holding Ltd	7/8/2021	353	8.2	0.0
Dexin Services Group Ltd	7/8/2021	409	0.9	0.8
Ronshine Service Holding Co Ltd	7/9/2021	320	1.4	0.1
Kangqiao Service Group Ltd	7/9/2021	332	1.2	0.5
Sanxun Holdings Group Ltd	7/12/2021	414	1.0	0.0
Li Auto Inc	8/6/2021	29,067	17.1	33.3
Shanghai HeartCare Medical Technology Co Ltd	8/15/2021	857	4.0	0.3

Company	Pricing Date	Market Cap at IPO (US\$mn)	1M ADTV US\$mn (post-IPO) <sup>(1)</sup>	1M ADTV US\$mn (post lock-up) <sup>(2)</sup>
Acotec Scientific Holdings Ltd	8/17/2021	962	6.5	0.9
Helens International Holdings Co Ltd	9/3/2021	3,232	18.7	6.5
Broncus Holding Corp	9/16/2021	1,268	4.6	0.2
Transcenta Holding Ltd	9/19/2021	919	2.7	0.0
Dongguan Rural Commercial Bank Co Ltd	9/22/2021	7,040	2.2	0.0
Tam Jai International Co Ltd	9/28/2021	576	11.4	1.7
Abbisko Cayman Ltd	10/6/2021	1,130	3.6	0.0
MicroTech Medical (Hangzhou) Co Ltd	10/12/2021	1,667	2.6	0.0
Shanghai MicroPort MedBot (Group) Co Ltd	10/26/2021	5,343	17.9	1.2
Clover Biopharmaceuticals Ltd	10/28/2021	1,999	4.9	5.5
Uju Holding Ltd	10/29/2021	519	7.1	0.0
Beijing Airdoc Technology Co Ltd	10/29/2021	1,004	1.7	0.3
ANE (Cayman) Inc	11/4/2021	2,082	3.3	0.3
Cloud Village Inc	11/26/2021	5,496	4.5	1.4
CANbridge Pharmaceuticals Inc	12/3/2021	667	4.8	13.2
Gushengtang Holdings Ltd	12/3/2021	862	2.2	0.0
Yonghe Medical Group Co Ltd	12/6/2021	1,075	13.6	0.9
Hangzhou SF Intra-city Industrial Co Ltd	12/8/2021	2,019	4.0	0.1
Shanghai Conant Optical Co Ltd	12/9/2021	246	1.2	0.0
Qingci Games Inc	12/9/2021	999	0.9	0.6
Shanghai Bio-heart Biological Technology Co Ltd	12/16/2021	669	1.8	1.4
Chervon Holdings Ltd	12/22/2021	2,758	11.2	1.6
SenseTime Group Inc	12/23/2021	16,646	97.3	105.6
Qingdao AlInnovation Technology Group Co Ltd	1/20/2022	1,898	5.0	0.5
Huitongda Network Co Ltd	2/10/2022	3,121	4.5	2.2
Lepu Biopharma Co Ltd	2/16/2022	1,527	1.4	1.6
Jinmao Property Services Co Ltd	3/3/2022	950	2.8	0.6
Arrail Dental	3/14/2022	1,097	1.3	0.9

Company	Pricing Date	Market Cap at IPO (US\$mn)	1M ADTV US\$mn (post-IPO) <sup>(1)</sup>	1M ADTV US\$mn (post lock-up) <sup>(2)</sup>
Jiangsu Recbio Technology Co Ltd	3/25/2022	1,545	1.7	0.7
Zhihu Inc	4/14/2022	1,310	1.6	0.2
Yunkang Group Ltd	5/11/2022	632	5.3	0.7
Gogox Holdings Ltd	6/20/2022	1,708	6.2	3.7
TI Cloud Inc	6/24/2022	289	0.7	0.0
ClouDr Group Ltd	6/28/2022	2,310	1.7	1.2
Sinohealth Holdings Ltd	7/5/2022	311	0.7	NA
Readboy Education Holding Co Ltd	7/5/2022	345	1.3	NA
MINISO Group Holding Ltd	7/6/2022	2,256	1.0	NA
Deewin Tianxia Co Ltd	7/8/2022	519	0.3	NA
Linmon Media Ltd	8/3/2022	1,291	0.9	NA
China Tourism Group Duty Free Corp Ltd	8/18/2022	42,178	25.8	NA
Biocytogen Pharmaceuticals (Beijing) Co Ltd	8/25/2022	1,300	1.0	NA
Chongqing Hongjiu Fruit Co Ltd	8/29/2022	2,412	0.8	NA
Dingdang Health Technology Group Ltd	9/6/2022	2,077	1.1	NA
Onewo Inc	9/22/2022	7,504	9.2	NA
Zhejiang Leapmotor Technology Co Ltd	9/23/2022	7,077	6.4	NA
CALB Co Ltd	9/28/2022	8,690	13.5	NA
Flowing Cloud Technology Ltd	10/10/2022	516	2.8	NA
Giant Biogene Holding Co Ltd	10/28/2022	3,120	4.4	NA
LEPU ScienTech Medical Technology (Shanghai) Co Ltd	11/1/2022	1,304	1.1	NA
LX Technology Group Ltd	11/17/2022	346	1.3	NA
Lygend Resources & Technology Co Ltd	11/24/2022	3,172	4.4	NA
Sunshine Insurance Group Co Ltd	12/5/2022	8,652	9.8	NA
Gaush Meditech Ltd	12/5/2022	981	0.6	NA
3D Medicines Inc	12/7/2022	825	2.4	NA
Weilong Delicious Global Holdings Ltd	12/8/2022	3,204	3.2	NA
Shanghai Chicmax Cosmetic Co Ltd	12/15/2022	1,291	1.1	NA

Company	Pricing Date	Market Cap at IPO (US\$mn)	1M ADTV US\$mn (post-IPO) <sup>(1)</sup>	1M ADTV US\$mn (post lock-up) <sup>(2)</sup>
OrbusNeich Medical Group Holdings Ltd	12/16/2022	940	0.6	NA
Beauty Farm Medical & Health Industry Inc	1/6/2023	575	NA	NA
Shenzhen Pagoda Industrial (Group) Corp. Ltd.	1/16/2023	901	NA	NA
YH Entertainment Group	1/19/2023	670	NA	NA
JF Wealth Holdings Ltd.	3/10/2023	1,017	0.4	0.6
DPC Dash Ltd.	3/28/2023	753	NA	NA
Seacon Shipping Group Holdings Ltd.	3/29/2023	164	NA	NA
MedSci Healthcare Holdings Limited	4/27/2023	712	NA	NA
ZJLD Group Inc	4/27/2023	3,701	NA	NA
Edianyun Ltd.	5/25/2023	724	NA	NA
Horizon Construction Development Ltd.	5/25/2023	1,310	NA	NA
Cutia Therapeutics	6/12/2023	852	0.3	1.9
Laekna, Inc.	6/29/2023	747	NA	NA
ADICON Holdings Ltd.	6/30/2023	1,274	NA	NA
Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd.	7/11/2023	485	1.3	5.2
Star Plus Legend Holdings Ltd.	7/13/2023	538	NA	NA
TUHU Car, Inc.	9/26/2023	2,811	NA	NA
Neusoft Xikang Holdings, Inc.	9/28/2023	293	NA	NA
Beijing Fourth Paradigm Technology Co., Ltd.	9/28/2023	999	NA	NA
Tiantu Capital Co., Ltd.	10/6/2023	150	NA	0.2
Shiyue Daotian Group Co Ltd	10/12/2023	617	0.5	1.2
Luyuan Group Holding (Cayman) Ltd.	10/12/2023	406	0.2	0.1
J&T Global Express Limited	10/27/2023	12,016	NA	NA
Guoquan Food (Shanghai) Co., Ltd.	11/2/2023	1,368	NA	NA
WuXi XDC Cayman, Inc.	11/17/2023	4,230	NA	NA
Shanxi Installation Group Co. Ltd.	11/22/2023	94	NA	NA
Sino-Synergy Hydrogen Energy Technology (Jiaying) Co., Ltd.	12/5/2023	201	NA	NA

Company	Pricing Date	Market Cap at IPO (US\$mn)	1M ADTV US\$mn (post-IPO) <sup>(1)</sup>	1M ADTV US\$mn (post lock-up) <sup>(2)</sup>
Dekon Food & Agriculture Group	12/6/2023	317	NA	1.4
REPT BATTERO Energy Co., Ltd.	12/18/2023	740	NA	NA
iMotion Automotive Technology (Suzhou) Co. Ltd.	12/20/2023	336	NA	NA
BaTeLab Co., Ltd.	12/28/2023	33	NA	NA
UBTECH Robotics Corp. Ltd.	12/29/2023	1,372	NA	NA
RoboSense Technology Co., Ltd.	1/5/2024	2,473	0.2	12.2
Concord Healthcare Group Co., Ltd.	1/9/2024	350	0.7	NA
Migao Group Holdings Ltd.	3/21/2024	471	NA	NA
Lianlian DigiTech Co., Ltd.	3/28/2024	495	NA	NA
Sichuan Baicha Baidao Industrial Co., Ltd.	4/23/2024	2,414	NA	NA
Sunho Biologics, Inc.	5/24/2024	291	NA	NA
Qunabox Group Ltd.	5/27/2024	1,178	NA	NA
QuantumPharm, Inc.	6/13/2024	2,530	NA	NA
Cloud Factory Technology Holdings Ltd.	6/14/2024	224	NA	NA
Tianju Dihe (Suzhou) Technology Co., Ltd.	6/28/2024	386	NA	NA
Laopu Gold Co., Ltd.	6/28/2024	820	NA	NA
Shanghai Voicecomm Information Technology Co., Ltd.	7/10/2024	225	NA	NA
Chenqi Technology Ltd.	7/10/2024	886	NA	NA

Data source: FactSet, Dealogic

(1) 1M ADTV (post IPO) shows the ADTV of the first full month after the listing

(2) 1M ADTV (post lock-up) shows ADTV the of the first full month after the cornerstone lock up period, which is 6 months following the first trading day