

**Submitted via Qualtrics**

**Slaughter and May**

**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 the proposed amendments would result in a public float formulation that more accurately reflects the shares that contribute to an open market in Hong Kong.

**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 for the proposal.

**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 for the proposal.

**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 for the proposal.

**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 clarificatory amendment.

**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 subject to our drafting comment at 2.2 below.

### **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 such shares should be regarded as part of the public float. However, as drafted, it appears shares held by independent scheme participants who have been granted and/or obtained free shares or acquired shares at a discount from the listed issuer pursuant to its share schemes (e.g. share awards, whether utilising new or existing or treasury shares) may not count towards the public float by virtue of the proposed expanded LR8.24(1) (person whose acquisition of securities has been financed directly or indirectly by the issuer). We believe a more general carve-out for share schemes is required.

On the other hand, for the carve out referred to in paragraph 65 of the Consultation Paper and the proposed new note to Listing Rule 8.24, it may be useful to provide that the trustee should also not be acting on the instructions of the issuer or a core connected person of the issuer.

### **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 for the proposal and welcome the greater transparency and certainty the proposal would bring to listing applicants.

**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 welcome lower initial public float thresholds for applicants with larger market value. This would provide greater transparency to potential issuers considering listing in Hong Kong as they would be able to plan with greater certainty the size of the offering before making the listing application. We would also suggest that the Exchange considers the views of relevant market participants on whether the proposed thresholds are set at the right level to boost the competitiveness of the Hong Kong market whilst providing sufficient liquidity.

**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 for the proposal.

**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 for the proposal.

**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.**

We agree this is useful information for investors.

**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 of the proposal. GEM issuers typically do not have large enough market capitalisation to qualify for a lower initial public float, but the same thresholds should apply for consistency.

**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.**

Please see our comments at 4.2.

**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.**

Please see our comments at 4.2.

#### **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.**

We support a relaxation of public float level after listing, which will allow issuers more flexibility to conduct corporate transactions (e.g. share repurchases) that are in the interests of shareholders as a whole as well as not be at risk of insufficient public float due to the acts of a third party. A lower public float level post-listing would also be in line with most of the other international stock exchanges' requirements (e.g. NYSE, Nasdaq, SGX and ASX).

It may be worth exploring (in the future consultation) whether the threshold should be percentage-based or by reference to an appropriate minimum dollar value considered to constitute sufficient critical mass for open market trading (if latter, in a manner that would not penalise issuers for wider volatility in the market). We note a dollar value approach would be more similar to the US exchanges and more consistent with the proposed initial public float approach for A+H issuers (who can satisfy either a percentage based or dollar value threshold), and could address some of the issues caused by a percentage-based approach.

The Exchange could also consider allowing issuers whose market value grows post-listing to qualify for lower public float thresholds. To clarify, we do not propose that this would apply in the reverse (i.e. a higher public float than at listing if the issuer's market value drops post-listing) due to the practical difficulties of, for example, having to place down shares.

The Exchange states it does not intend to impose any ongoing requirement in respect of the number of H shares a PRC issuer must maintain on the Exchange (subject to sufficient shares being available for trading in HK to provide a critical mass of trading here at listing). A similar requirement could be considered post listing, such that a minimum critical mass in public hands represented by a dollar value threshold may be considered to be set.

#### **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)?**

No

**Please give reasons for your views.**

Due to the issues mentioned in the consultation paper, we see merit in abolishing or relaxing the existing approach of suspension where public float drops below a prescribed percentage (15%), particularly in cases where it deprives shareholders of their ability to trade even when an open market (in dollar value) still exists in the securities. Adopting a similar approach as referred to in our response to Question 4.2 above, the Stock Exchange may consider suspending not by reference to a percentage of issued share capital but by reference to a minimum critical mass in public hands represented by a dollar value threshold.

#### **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 for the proposal due to the practical difficulties of maintaining an “open market” for convertible securities or options, warrants or similar rights.

#### **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)?**

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

Please see our comments at 4.6 below.

**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.**

We see the potential benefits of an OTC market for delisted companies. However, a market that serves only delisted companies may be too limited and it may be worth also exploring in a future consultation a platform that allows trading of private company shares, potentially similar to the Private Intermittent Securities and Capital Exchange System to be launched in the UK as a secondary market for institutional and sophisticated investors.

The introduction of any OTC market should be considered holistically with the GEM market.

**Question 4.6(b)**

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

Please see our comments at 4.6(a).

**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.**

Please see our comments at 4.6(a).

**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.**

We agree with the rationale for the proposal, which has been recommended best practice in the Corporate Governance Code. We would also propose that the minimum ongoing public float applicable to the issuer should be disclosed in annual reports as it is useful information for the market as well as for structuring potential transactions.

### **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.**

We agree this could be useful information for the market.

### **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.**

We agree and propose the guidance should reflect that issuers are only expected to take reasonable measures to ascertain the underlying information for this purpose.

### **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)?**

**Please give reasons for your views.**

We agree with the rationale that there should be a minimum pool of shares available for trading at listing to facilitate an open market. However, we query whether the overall effect of the free float proposal, in conjunction with the proposed 50% minimum allocation to independent institutional investors (excluding cornerstone investors), may be unduly restrictive such that issuers are unable to meet the requirements and unable to list, and therefore impact on the attractiveness of Hong Kong as a listing venue. While the 50% minimum allocation requirement is proposed as a means of better price discovery, it also has the effect of restricting the proportion of cornerstone investors which are often seen to be the main cause for the lack of liquidity post listing due to the lock-up restrictions on them. Please also see our comments at 9.1.

If a free float proposal is introduced, the drafting should be amended to ensure it does not catch disposal restrictions that the issuer is not aware of. We assume the disposal restrictions are directed at the cornerstone investors required to be locked up by the Stock Exchange and pre-IPO shareholders who are contractually locked up by the underwriters. It may be helpful to define this accordingly.

**Question 6.2**

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

**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)?**

**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)?**

**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)?**

**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)?**

**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.**

We agree with the rationale for the proposal and support the reduced minimum threshold on shares to be listed on the Exchange for A+H issuers.

We note for PRC issuers with no other listed shares, the denominator is stated to be the total no. of issued shares in the class to which H shares belong (including any unlisted shares). The clarification in brackets is not included in the equivalent provision for A+H issuers (LR19A.13A(2)) – please can the Exchange clarify that unlisted shares in the same class as H shares are also included in the denominator for A+H issuers.

### **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.**

We agree with the rationale for the proposal.

### **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.**

We agree with the rationale of the proposal.

### **Question 8**

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

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

We generally support a more relaxed approach towards lock-up of cornerstone investors, and we understand that this may have the effect of introducing more liquidity into the post listing market sooner. On the other hand, we would defer to market participants' views as to whether two staggered releases would exacerbate rather than alleviate share price volatility or affect the appetite of investors for the IPO if there are concerns that there will be sell downs in the market only three months after the commencement of trading.

**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)?**

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

In principle, cornerstone investors can be genuine price setters. For example, we note cornerstone investors are not automatically disqualified from being independent price setters under the existing ring-fencing rules for Specialist Technology Companies.

As mentioned at 6.1 above, we suggest the Exchange considers relevant market participants' feedback on whether the effect of the proposed free float and ring-fencing measures (in particular, setting the threshold at 50%) would have the unintended consequence of detracting from the competitiveness of the Hong Kong market.

**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)?**

**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.**

We agree with the rationale for the proposal. For the same reasons, we think there is merit in considering the removal or relaxation of prescribed thresholds on minimum shareholder spread for the overall IPO (i.e. at least 300 shareholders, with not more than 50% of the securities in public hands at the time of listing to be beneficially owned by the three largest public shareholders), in light of the package of proposals on public float, free float, ring-fencing and public subscription.

**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)?**

No

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

Please see our comments at 10.1.

**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 rationale of the proposal and believe it enhances certainty of allocation and better price discovery whilst giving more flexibility to issuers.

**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.**

We agree on the basis it is more difficult for investors to reach a consensus on the valuation of Specialist Technology Companies.

**Question 12.1**

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

Yes

**Please give reasons for your views.**

The Allocation Cap is useful in reducing the risks of retail investors being “stuffed” with unwanted IPO shares from the placing tranche.

**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.**

We agree with the rationale for the proposal.

**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.**

We agree with the rationale for the proposal.

### **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.**

Providing upward pricing flexibility is helpful for issuers and underwriters to respond to unexpected market conditions or demand.

### **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.**

We agree with the rationale for the proposal.

### **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.**



Option A is preferred as it allows more flexibility for issuers and underwriters on setting the initial offer price range.

**Question 13.4**

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

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

Although we understand the rationale for the proposal, we would defer to the views of relevant market participants on any practical complexities and uncertainties arising from an opt-in arrangement.

**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.**

We agree with the rationale for the proposals.

**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.**

We agree with the rationale for the proposals.

**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.**

We agree with the rationale for the proposal.

#### **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.**

We agree with the rationale for the proposal.

#### **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.**

We agree with the rationale for the proposal.

#### **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.**

We agree with the rationale for the proposal.

**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.**

We agree with the rationale for the proposal.

**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.**

We agree with the rationale for the proposals and note separate guidance will be issued for A+H issuers.

**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.**

We agree with the rationale for the proposal.

**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.**

We agree with the rationale for the proposal.

**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.**

We agree with the rationale for the proposal.

**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.**

We agree with the rationale for the proposal.

**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.**

We agree with the rationale for the proposal.

**Overall Comments**

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