General 1: As a general note, although the consultation is stated as having been made after "extensive soft consultations with industry participants, including both buy-side and sell-side firms", the consultation does not appear to have adequately reflected the likely concerns of companies and issuers. Although recognising that (i) they are not as readily identifiable as buy-side/sell-side firms, (ii) past issuers do not necessarily become future issuers, and (iii) future first-time issuers cannot easily be identified

Q3: The definition of an OC should not include 'acting as a stabilising manager' (para 53(a)(iv)). While the consultation recognises that an issuer may engage multiple CMI as OC in a given capital market transaction, the role of a stabilising manager is singular in nature in that an issuer will generally only ever have one CMI acting as stabilising manager. Therefore it is inappropriate to define the potentially multiple OCs by reference to a role that is only ever filled by a single CMI. Although there is likely to be a correlation between the appointed stabilising manager and the heads of syndicate (as referenced in para 140(b), I would expect the SFC's data to suggest there is no causal relationship. Moreover, the selection decision for a stabilising manager, since it relates to market actions taken after the offering itself, is currently made much later in the process. Although noting the consultation paper's desire for early-decisions on key appointments, it is simply impractical to expect issuers to confirm stabilising manager appointments at the kick-off stage, as desired by para 23.

Q4: Please clarify what is meant by 'bookbuilding and placing activities'. Does this refer to appointments being confirmed before any analyst presentations, investor education, investor outreach, wall-crossing has occurred (from which no transactions may even result or be intended), or refer to the formal process of collecting orders (which would in most cases only occur after formal/legal launch of a transaction). The former seems impractically early, whereas the latter seems to be too late for what the SFC consultation seeks to achieve.

Q5: Would it not be a conflict of interest for the OC to advice on syndicate membership and fee arrangements? As a member of the syndicate, they have a vested interest in including/excluding other CMIs in order to maximise their own economic returns, which may differ from what is most advisable for the issuer. Although such conflict of interest exists at present, the SFC's Proposed Code would give weight to the OC's advice (in terms of mandating such advice, and also requiring documentation of issuer's acceptance/rejection of such advice), which would worsen the problems arising from such conflict of interest.

Q19: It is not practical for syndicate membership to have been confirmed prior to hearing, at a stage when the occurrence of the deal is not yet certain and there is too much time before public acknowledgement of the transaction for issuers to substantively engage all potential CMIs. Since pricing and other offering statistics might still change, it is not perhaps meaningful to provide percentages of gross amount of funds raised. Taken together, there are substantial practical difficulties with providing the information set out in para 135 at the time requested. It is also unclear if para 135(d) calls for a percentage or a specific number. In any event, the reality of transactions suggest such information is far from decided.

Q20: Given the importance of after-market performance as well as the presence of green-shoe or upsizing potential, it is not practicable to determine discretionary fees prior to Listing. Issuers should have the ability to confirm incentive fees taking into account after-market performance.

Q21: for para 139(a), it is unclear what 'earl stage' refers to. Given the limitations on making of public offers under HK legislation, see for example the need to remove syndicate membership from the post-hearing information pack, it is unclear if early confirmation can legally be provided. For an IPO at least, such information is in any even made clear in the prospectus published by an issuer. Similar information is provided in HKEX regulatory announcements for capital market transactions undertaken by listed issuers.

Q21: for para 139(b), since underwriting fees for the international placing tranche are not finalised until pricing, when relevant legal documentation is signed, it is not practicable to make such disclosure at the prospectus stage.

Q21: for para 139(c), it is not clear where such information should be included. As discussed above, such information is not confirmed at the time of pricing or allocation, and often even at the time of Listing. For IPO issuers to have to make a standalone regulatory announcement with such commercial information seems at odds with the focus of mandated regulatory announcements under the Listing Rules.

Q21:for para 139(b) and (c) it remains unclear why such obligations should be applied only to IPOs if the SFC believes they are truly valuable pieces of information. If it is being requested of IPOs only because they are obvious and easily targeted then it raises questions about whether such information is necessary / useful or if the SFC consultation is seeking merely to require disclosure without a clear rationale.

Q22: It is stated in para 140(d) that "an increasing proportion" of heads of syndicate didn't act as sponsors, therefore necessitating the proposal for sponsor coupling. It is doubtful that there is currently a true decoupling such that a codified coupling is required. Given the average of 2.11 to 2.82 heads of syndicate, the SFC should quantify the 'increasing proportion' used as a basis for justifying such proposal as the current disclosure is too vague to allow market participants to evaluate whether the proposal is necessary.