

Question 2: Do you agree with the proposed scope of coverage for both ECM and DCM activities?

No, ECM business and DCM business are largely different, from investor types, book building practise and many other areas.

Question 10: Do you agree that OCs and CMLs should not accept knowingly inflated orders? If not, please explain.

Yes, OCs and CMLs should not accept knowingly inflated orders, though it is difficult for syndicate members to identify and verify order by order if they are knowingly inflated.

Question 11: Do you agree that OCs should ensure the transparency of the order book? If not, please explain.

Yes, OCs should be transparent to issuer on the order book to the extent information provided to OCs are transparent.

Question 12: Do you agree that "X-orders" should be prohibited? If not, please explain.

No, the discussion on prohibiting "X-orders" is mainly focusing on i) protecting order book transparency and ii) avoiding duplicate orders. We and some ICMA stakeholders suggest the continued limited usage of "X-orders. Certain investors do not wish to have their names disclosed in the order book for confidentiality reasons and issuer may still want to have these orders come into the order book. To maintain order book transparency, we suggest with the consent of the "X-order" investor, investor information can be disclosed to the issuer alone and not to the entire syndicate member group. To avoid duplicated orders, investors who place "X-orders" should bear the responsibilities not to place duplicated orders to multiple OCs. To avoid abusive usage of "X-orders" we suggest each syndicate member of the transaction to be given a limited number of "X-orders" quota, regardless if the syndicate member is an active OC or passive syndicate member.

Question 14: Do you agree that client orders must have priority over proprietary orders at all times? If not, please explain.

No, we have been in touch with ICMA team, and identified below categories of "proprietary" orders:

- Orders from syndicate member's own treasury function (asset & liability management or balance sheet management)
- Orders from syndicate member's onshore head office's treasury/financial markets function
- Orders from syndicate member group's asset management business
- Orders from syndicate member's trading desks

The first three categories are considered as long term buy and hold, and the last category unsolicited trading orders may have a long term holding period as business needs and it provides liquidity in the secondary markets. Investment decisions from these four categories of orders come from businesses which are independent from syndicate member's DCM group. In recent years local commercial bank's investment demand has been identified as a key part of many Asian debt issuances, and these orders should be considered as arms-length market order and should be treated the same as any other market orders.

Question 15: Do you agree that proprietary orders can only be price takers? If not, please explain.

No, similar to Question 14, the four categories of proprietary orders come from independent business units from their DCM syndicate members, orders are driven by each of their independent investment/trading mandate without any non-public information. Though the four types of proprietary orders may come from four different business units of the same legal entity, the view on pricing can be different based on each business unit's independent analysis and investment needs. Hence should be considered as arms-length internal orders and treated the same as any market orders.

Question 16: Do you agree that a CMI's proprietary orders and those of its Group Companies should also include orders placed on behalf of funds and portfolios in which a CMI or its Group Companies have a substantial interest? If not, please explain.

No, similar to Question 14, and 15, a CMI's arms-length proprietary orders should be considered as market orders. Its group companies

Question 20: Would you envisage substantial difficulties in issuers determining the allocation of discretionary fees and the fee payment schedule no later than listing? If yes, please cite examples.

We suggest fees to be determined by the issuer, and paid upon settlement no later than listing.

Question 21: Do you agree that (i) the syndicate membership (including the names of OCs) should be disclosed at an early stage; (ii) the total fees to be paid to all syndicate CMIs participating in the offering for the international placing tranche should be disclosed in the prospectus; and (iii) the total monetary benefits paid to each syndicate CMI should be disclosed after listing? If not, please explain.

- Yes, we agree that syndicate membership should be disclosed at an early stage, at least before the mandate announcement is made public.
- It is rare for total fees to be disclosed in the prospectus, and we do not see a clear benefit to issuers and investors by doing so.

- (iii) It is rare for total monetary benefits paid to each syndicate member to be disclosed, and we do not see a clear benefit to issuers and investors by doing so.

Question 24: Do you have any comments on the proposed implementation timeline?

Implementation timeline depends on the final code to be announced by SFC, and we suggest a 12-month implementation timeline for all OCs and CMIs to follow the same revised proposed code.