

# Hong Kong stock exchange

## Highlights of listing requirements

### Hong Kong Main Board:

#### (A) Highlights of listing requirements

##### Track record and market capitalisation

- Trading record of not less than three financial years
- Management continuity for at least the three preceding years and ownership continuity and control for at least the most recent audited financial year
- Three Financial Eligibility Tests:
  - Profit test
    - Profits of HK\$35 million for the most recent year and of aggregate of HK\$45 million for the first two years
    - Market capitalisation of at least HK\$500 million at the time of listing
  - Market capitalisation/revenue/cashflow test
    - Revenue of at least HK\$500 million for the most recent audited financial year
    - Positive cashflow from operating activities of at least HK\$100 million in aggregate for the three preceding financial years
    - Market capitalisation of at least HK\$2 billion at the time of listing
  - Market capitalisation/revenue test
    - Revenue of at least HK\$500 million for the most recent audited financial year
    - Market capitalisation of at least HK\$4 billion at the time of listing
    - Track record of less than three years may be accepted if:
      - Directors and management have sufficient and satisfactory experience of at least three years in the line of the listing business and industry
      - Management continuity for the most recent audited financial year
- A focused line of business not specifically required, but its core business should meet the minimum financial requirement
- Must have control over its business

##### Minimum public float

- Market capitalisation of at least HK\$125 million held by the public at the time of listing
- Minimum 25% of the issuers' total issued share capital at the time of listing
- The Exchange may, at its discretion, accept a percentage of public float between 15% and 25% if the market capitalisation of the issuer at the time of listing exceeds HK\$10 billion

##### Future prospects

- No specific requirement but the applicant is required to include a general statement of future plans and prospects
- Inclusion of profit forecast is optional

##### Accountants' report

- Must be prepared in accordance with (i) Hong Kong Financial Reporting Standards (HKFRS), or International Financial Reporting Standards (IFRS), or the Accounting Standards for Business Enterprises of the People's Republic of China (CAS) in the case of a PRC issuer that has adopted CAS for the preparation of its annual financial statements
- For Overseas Issuers<sup>1</sup>, the Exchange may allow the accountant's report to be drawn up otherwise than in conformity with HKFRS and IFRS. The list of alternative overseas financial reporting standards that are considered comparable to HKFRS or IFRS and acceptable by the Exchange is published on the Exchange's website ([GL111-22](#)), as amended from time to time. In such case, the report will be required to include a reconciliation statement setting out the financial effect of the material differences (if any) from either HKFRS or IFRS. The reconciliation statement should be reviewed by reporting accountants

- In general, accountants' report covers at least three complete financial years, immediately preceding the issue of the listing document
- The latest financial period reported on by the reporting accountants must not have ended more than six months before the date of the listing document

##### Corporate governance

- At least three independent non-executive directors required
- Must appoint independent non-executive directors representing at least one-third of the board
- At least a director of a different gender for listing applications submitted on or after 1 July 2022
- Audit committee required
- Remuneration committee required
- Required to appoint a compliance adviser for the period commencing on initial listing and ending on publication of financial results for the first full financial year after listing

##### Core shareholder protection standards

- Must meet the core shareholder protection standards concerning
  - the notice and conduct of general meetings;
  - members' right to remove directors, requisition a meeting, vote, speak and appoint proxies or corporate representatives;
  - the reservation of auditor appointment, etc. to a committee independent of the board of directors of a company or a majority of the shareholders and the reservation of certain other material matters to supermajority votes by shareholders;
  - restrictions on the term of a director appointed to fill a casual vacancy;
  - availability of the shareholders' register for inspection; and
  - restrictions on shareholder voting on certain matters required by the Listing Rules

##### Restrictions on controlling shareholders

- A controlling shareholder at the time of listing must undertake:
  - Not to dispose of his interest in the issuer from the listing document issue date to the first six months after listing
  - Not to dispose of his interest in the issuer in the next six months after listing such that he would cease to be a controlling shareholder: at least 30% interest in the issuer

##### Other considerations

- Competing businesses of controlling shareholders or directors are allowed but full disclosure is required
- Mandatory public offering of at least 10% of the total offer size
- New issue must be fully underwritten
- Listed issuer is not allowed to issue new securities in the first six months after listing

<sup>1</sup> Overseas issuers – An issuer that is neither a Hong Kong issuer nor a PRC issuer.

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## Highlights of listing requirements

### Hong Kong Main Board:

#### (B) Specific listing requirements for pre-revenue/pre-profit biotech companies

<b>Features</b>	<ul style="list-style-type: none"> <li>At least one core product beyond the concept stage</li> <li>Primarily engaged in research and development (R&amp;D) for the core product(s) for at least 12 months prior to listing</li> <li>Has as primary reason for listing raising funds for R&amp;D to bring the core product(s) to commercialisation</li> <li>Has registered patent(s), patent application(s) and/or intellectual property in relation to the core product(s)</li> <li>Received meaningful investment from at least one sophisticated investor at least 6 months before listing (which must remain at IPO)</li> </ul>
<b>Track record requirements</b>	<ul style="list-style-type: none"> <li>In current line of business for at least two financial years under substantially the same management</li> </ul>
<b>Market capitalisation</b>	<ul style="list-style-type: none"> <li>Market capitalisation of at least HK\$1.5 billion at the time of listing</li> </ul>
<b>Minimum public float</b>	<ul style="list-style-type: none"> <li>Public float of at least 25% (with at least HK\$375 million of public float at the time of listing, which is exclusion of subscriptions by existing shareholders at IPO and subscriptions through cornerstone investments)</li> </ul>
<b>Working capital requirement</b>	<ul style="list-style-type: none"> <li>Sufficient working capital which covers 125% of the group's costs for at least 12 months from the date of publication of listing document</li> </ul>

#### (C) Specific listing requirements for mineral companies

"Mineral company" means a new applicant whose major activity is the exploration for and extraction of minerals or petroleum products; and a "major activity" is one that represents 25% or more of the total assets, revenue, or operating expenses, of the listed issuer and its subsidiaries.

<b>Features</b>	<ul style="list-style-type: none"> <li>Has at least a meaningful portfolio of contingent resources or indicated resources which is identifiable under a recognised reporting standard<sup>1</sup> and substantiated in an independent technical report by a Competent Person<sup>2</sup></li> <li>Has the rights to participate actively in the exploration for and/or extraction of the relevant resources through: <ul style="list-style-type: none"> <li>- control over a majority (i.e. ≥50% of interest) (by value) of the assets in which it has invested, together with adequate rights over the exploration for and extraction of the relevant resources; or</li> <li>- adequate rights, which give it sufficient influence in decisions over the exploration for and/or extraction of those resources</li> </ul> </li> <li>If the mineral company has commenced production, provides an estimate of cash operating costs. If it has not yet begun production, discloses its plans to proceed to production with indicative dates and costs. These plans must be supported by at least a scoping study, substantiated by the opinion of a Competent Person</li> </ul>
<b>Working capital requirements</b>	<ul style="list-style-type: none"> <li>Has available working capital for 125% of its working capital needs, for at least 12 months from the date of publication of listing document</li> </ul>
<b>Waivers from basic listing requirements</b>	<p>The Exchange may accept a shorter trading record period and/or may vary or waive the profit or other financial standards requirement if:</p> <ul style="list-style-type: none"> <li>Directors and senior managers, taken together, have sufficient experience in the type of exploration and extraction activity that the mineral company is pursuing; and</li> <li>Individuals relied on have ≥5 years relevant industry experience</li> </ul>

<sup>1</sup> Recognised reporting standard –

A mineral company must disclose its mineral resources and reserves under the JORC Code, NI 43-101 and the SAMREC Code; and disclose its petroleum resources and reserves under PRMS. If other reporting standard is adopted, it has to provide a reconciliation to an accepted reporting standard.

Any valuation of a mineral company's mineral or petroleum assets must be prepared under the CIMVAL Code, SAM VAL Code or VALMIN Code and the basis of the valuation, relevant assumptions and reasons for choosing a particular method of valuation, must be clearly stated. The valuation must be done by a competent evaluator.

<sup>2</sup> Competent Person must –

(1) have a minimum of five years experience relevant to the style of mineralisation and type of deposit under consideration or to the type of petroleum exploration, reserve estimate (as appropriate), and to the activity which the listing applicant is undertaking;

(2) be professionally qualified, and be a member in good standing of a relevant recognised professional organisation, in a jurisdiction where, in the Exchange's opinion, the statutory securities regulator has satisfactory arrangements with the SFC for mutual assistance and exchange of information for enforcing and securing compliance with the laws and regulations of that jurisdiction and Hong Kong;

(3) take overall responsibility for its report; and

(4) be independent.

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## Highlights of listing requirements

### Hong Kong Main Board:

#### (D) Specific listing requirements for issuers with weighted voting rights (WVR) structures

<b>Features</b>	<ul style="list-style-type: none"> <li>Innovative company which possesses more than one of the following characteristics: <ul style="list-style-type: none"> <li>its success is attributable to application, to the company's core business, of (i) new technologies, (ii) innovations and/or (iii) a new business model;</li> <li>R&amp;D is a significant contributor of its expected value and constitutes a major activity and expense;</li> <li>its success is attributable to its unique features or intellectual property; and/or</li> <li>has an outsized market capitalisation/intangible asset value relative to its tangible asset value.</li> </ul> </li> <li>Demonstrate a track record of high business growth and its high growth trajectory is expected to continue</li> <li>Each WVR beneficiary: <ul style="list-style-type: none"> <li>has been materially responsible for the growth of the business, by way of his skills, knowledge and/or strategic direction; and</li> <li>must be (i) an individual who has an active executive role within the business, and has contributed to a material extent to the ongoing growth of the business; and (ii) a director of the issuer at the time of listing</li> </ul> </li> <li>Received meaningful investment from at least one sophisticated investor (which must remain at IPO). Such investors must retain an aggregate 50% of their investment at the time of listing for a period of at least six months post-IPO</li> </ul>
<b>Market capitalisation</b>	<ul style="list-style-type: none"> <li>Market capitalisation of at least HK\$10 billion at the time of listing and revenue of at least HK\$1 billion in the most recent audited financial year; or</li> <li>Market capitalisation of at least HK\$40 billion</li> </ul>
<b>Enhanced corporate governance</b>	<ul style="list-style-type: none"> <li>Compliance adviser appointed on a permanent basis required</li> <li>Nomination committee comprising independent non-executive directors (INEDs) required</li> <li>INEDs subject to retirement by rotation at least once every three years</li> <li>Corporate governance committee comprising entirely of INEDs required</li> <li>Key matters decided on one-share one-vote basis</li> <li>WVR safeguards incorporated in constitutional documents</li> </ul>
<b>WVR safeguards</b>	<ul style="list-style-type: none"> <li>Non-WVR shareholders hold at least 10% of voting power</li> <li>Voting power of WVR shares are not more than 10 times of the voting power of ordinary shares</li> <li>WVR beneficiaries collectively own at least 10% of the underlying economic interest in the applicant's total issued share capital at the time of listing</li> <li>WVRs are restricted to directors and will lapse permanently if: (i) the beneficiary dies/ceases to be a director/is incapacitated/no longer meets the requirements of a director; or (ii) the shares are transferred to another person</li> <li>After listing, cannot increase the proportion of WVR in issue or issue any further WVR shares</li> </ul>
<b>Non-Greater China issuers<sup>1</sup> and Grandfathered Greater China issuers<sup>2</sup> with WVR structures</b>	<ul style="list-style-type: none"> <li>Can apply for dual primary listing in Hong Kong with their existing WVR and/or variable interest entities (VIE) structures without amending them to comply with the above requirements regarding features, corporate governance and WVR safeguards (as detailed above) provided that it meet the following: <ul style="list-style-type: none"> <li>Have a track record of good regulatory compliance of at least two full financial years on a Qualifying Exchange<sup>3</sup>; and</li> <li>Market capitalisation requirement in the preceding slide (reproduced below): <ul style="list-style-type: none"> <li>Market capitalisation of at least HK\$10 billion at the time of listing and revenue of at least HK\$1 billion in the most recent audited financial year; or</li> <li>Market capitalisation of at least HK\$40 billion</li> </ul> </li> </ul> </li> </ul>

#### (E) Specific listing requirements for overseas issuers seeking secondary listing in Hong Kong

<b>Listing requirements for issuer with WVR structure</b>	<ul style="list-style-type: none"> <li>Have a track record of good regulatory compliance of at least two full financial years on a Qualifying Exchange.</li> <li>Must meet the listing requirements for issuers with WVR structures in part (C) above.</li> </ul>
<b>Listing requirements for issuer without WVR structure</b>	<ul style="list-style-type: none"> <li>Must meet one of the following: <ul style="list-style-type: none"> <li><b>Criteria A</b> <ul style="list-style-type: none"> <li>have at least five years* of good compliance record on a Qualifying Exchange (for any Overseas Issuer without a WVR structure) or on any Recognised Stock Exchange<sup>1</sup> (only for Overseas Issuer without a WVR structure and without a gravity in Greater China); and</li> <li>a minimum market capitalisation of HK\$3 billion.</li> </ul> </li> <li><b>Criteria B</b> <ul style="list-style-type: none"> <li>have at least two years* of good compliance record on a Qualifying Exchange; and</li> <li>a minimum market capitalisation of HK\$10 billion.</li> </ul> </li> </ul> </li> <li>(* may be waived if the market capitalisation is significantly larger than HK\$10 billion)</li> </ul>
<b>Conversion to primary listing in Hong Kong</b>	<ul style="list-style-type: none"> <li>Require all secondary listed issuers to comply with the Trading Migration Requirement<sup>2</sup>.</li> <li>A secondary listed issuer will be regarded as a primary listed issuer in the event of: <ol style="list-style-type: none"> <li>Migration<sup>3</sup>;</li> <li>Primary Conversion<sup>4</sup>; or</li> <li>Overseas De-listing<sup>5</sup></li> </ol> </li> </ul>

<sup>1</sup> Recognised Stock Exchange – The main market of a stock exchange that is included in a listed of Recognised Stock Exchange published on the Exchange's website as updated from time to time. Please see [Link](#).

<sup>2</sup> Trading Migration Requirement – The requirements under Listing Rule 19C.13 that if the majority of trading in an issuer's listed shares migrates to the Exchange's markets on a permanent basis, the Exchange will regard the issuer as having dual primary listing and consequently the waivers enjoyed by the issuer due to its secondary listing status will no longer apply to such issuer. Majority of trading means 55% or more of the total worldwide trading volume (by dollar value) of those shares (including trading volume in depositary receipts issued on those shares) over the issuer's most recent financial year, takes place on the Exchange's markets.

<sup>3</sup> Migration – The migration of the majority of trading in an Overseas Issuer's shares to the Exchange's markets under Rule 19C.13.

<sup>4</sup> Primary Conversion – Voluntary conversion from secondary listing to dual-primary listing on the Exchange by an Overseas Issuer.

<sup>5</sup> Overseas De-listing – De-listing of an Overseas Issuer's shares or depositary receipts issued on its shares from the Recognised Stock Exchange on which it is primary listed under Rule 19C.13A

<sup>1</sup> Greater China issuers – A Qualifying Issuer with its centre of gravity in Greater China. Qualifying Issuer is an issuer primary listed on a Qualifying Exchange.

<sup>2</sup> Grandfathered Greater China issuers – A Greater China Issuers (a) primary listed on a Qualifying Exchange on or before 15 December 2017; or (b) controlled by corporate WVR beneficiaries as at 30 October 2020 and primary listed on a Qualifying Exchange after 15 December 2017, but on or before 30 October 2020.

<sup>3</sup> Qualifying Exchange – NYSE, NASDAQ or the Main Market of the London Stock Exchange plc (and belonging to the UK Financial Conduct Authority's "Premium Listing" segment).

# Hong Kong stock exchange

## Highlights of listing requirements

### Hong Kong Main Board:

#### (F) Specific listing requirements for special purpose acquisition company (SPAC)

A SPAC is a type of shell company that raises funds through its listing for the purpose of acquiring a business (a "De-SPAC Target") at a later stage (a "De-SPAC Transaction") within a pre-defined time period after listing.

##### SPAC formation

- **SPAC promoters**<sup>1</sup> - Must meet rigorous suitability and eligibility requirements<sup>2</sup>, and with at least one being an SFC Type 6/Type 9-licensed firm holding at least 10% of the Promoter Shares<sup>3</sup>
- **SPAC directors** - Must include at least two SFC Type 6/Type 9- licensed individuals (including one director representing the licensed SPAC Promoter)

##### SPAC IPO

- **Fund raising size** - At least HK\$1 billion from initial offering
- **SPAC investors** - Restricted to Professional Investors<sup>4</sup> prior to the De-SPAC transaction
- **Open market requirements** - SPAC securities must be distributed to at least 75 Professional Investors, of whom at least 20 must be Institutional Professional Investors<sup>5</sup> (IPI) and such IPI must hold at least 75% of the SPAC securities to be listed

##### De-SPAC Transaction

- **Target size** - Fair market value of a De-SPAC Target  $\geq$  80% of the fund raised from SPAC initial offering
- **New listing requirements** - The listed issuer resulting from the completion of a De-SPAC Transaction (a "Successor Company") must meet all listing requirements as highlighted in section (A) (including IPO Sponsor engagement, track record and market capitalisation requirements)
- **Independent investments** - Must obtain independent third party investment (PIPE investment) from professional investors of at least 7.5% to 25% of De-SPAC Target's negotiated value for completing the De-SPAC Transaction. At least 50% of such investment must come from at least three Sophisticated Investors<sup>6</sup>
- **Shareholder vote** - De-SPAC Transaction must be approved by SPAC shareholders at a general meeting (excluding SPAC Promoter and other interested shareholders)
- **Redemption option** - SPAC shareholders must be given the option to redeem their shares prior to: (a) De-SPAC Transaction; (b) a material change in SPAC Promoters and/or SPAC Directors; and (c) any extension of De-SPAC deadlines
- **Open market requirements** - Successor Company's shares must be held by at least 100 Professional Investors (instead of 300 shareholders normally required) at the time of listing
- **De-SPAC deadlines** - Must be announced and completed within 24 months and 36 months of the SPAC listing respectively, with an extension of up to 6 months subject to the SPAC shareholders' and the Exchange's approval

<sup>1</sup> SPAC promoters – A professional manager, usually with private equity, corporate finance and/or industry experience, who establish and manage a SPAC.

<sup>2</sup> For promoter's suitability and eligibility, see the Exchange guidance letter: [GL113-22](#).

<sup>3</sup> Promoter Shares - A share of a separate class to SPAC Shares issued by a SPAC exclusively to a SPAC Promoter at nominal consideration as a financial incentive to establish and manage the SPAC. Promoter Shares are capped at 30% of the SPAC's total issued shares at listing.

<sup>4</sup> Professional Investors - Persons falling under paragraphs (a) to (j) of the definition of "professional investor" in section 1 of Part 1 of Schedule 1 to the Securities Future Ordinance (SFO).

<sup>5</sup> Institutional Professional Investors - Persons falling under paragraphs (a) to (i) of the definition of "professional investor" in section 1 of Part 1 of Schedule 1 to the SFO.

<sup>6</sup> Sophisticated Investors - Sophisticated Investors must either be (a) an asset management firm with assets under management of at least HK\$8 billion; or (b) a fund with a fund size of at least HK\$8 billion. See the Exchange guidance letter: [GL113-22](#).

# Hong Kong stock exchange

## Highlights of listing requirements

### Hong Kong Main Board:

#### (G) Specific listing requirements for specialist technology companies

A company primarily engaged (whether directly or through its subsidiaries) in the research and development of, and the commercialisation and/or sales of, Specialist Technology Product(s) within an acceptable sector of a Specialist Technology Industry<sup>1</sup>

	Commercial Companies <sup>2</sup>	Pre-Commercial Companies <sup>3</sup>
<b>Minimum expected market capitalisation</b>	HK\$6 billion	HK\$10 billion
<b>Minimum revenue from Specialist Technology ("ST") business segment(s) for the most recent audited financial year</b>	HK\$250 million (the "Commercialisation Revenue Threshold") The company must demonstrate year-on-year growth of revenue throughout its track record period, with allowance for temporary declines in revenue due to economic, market, industry-wide conditions or other factors which were temporary and outside the applicant's control.	No requirement The applicant must have as its primary reason for listing the raising of funds for the R&D of, and the manufacturing and/or sales and marketing of, its ST Product(s) to bring them to commercialisation and achieving the Commercialisation Revenue Threshold; and must demonstrate a credible path to commercialisation of its ST Product(s) that will result in it achieving the Commercialisation Revenue Threshold.
<b>Minimum research and development ("R&amp;D") expenditure</b>	Engaged in R&D of its ST Product(s) for at least three financial years prior to listing and: a) on a yearly basis for at least two of the three financial years prior to listing; and b) on an aggregate basis over all three financial years prior to listing, meet the following minimum R&D expenditure (as a % of total operating expenditure) 15%	With revenue for the most recent audited financial year • ≥HK\$150 million: 30% • <HK\$150 million: 50%
<b>Operational track record</b>	The applicant must have been in operation in its current line of business for at least three financial years prior to listing under substantially the same management, and with ownership continuity and control in the 12 months prior to the date of the listing application, and up until the time immediately before the offering and/or placing becomes unconditional	

<sup>1</sup> Specialist Technology Industries include (i) next-generation information technology; (ii) advanced hardware and software; (iii) advanced materials; (iv) new energy and environmental protection; and (v) new food and agricultural technologies. For the list of the acceptable sectors falling within each Specialist Technology Industry, see HKEx guidance letter [GL 115-23](#)

<sup>2</sup> A "Commercial Company" refers to a Specialist Technology Company that has met the Commercialisation Revenue Threshold at the time of listing

<sup>3</sup> A "Pre-Commercial Company" refers to a Specialist Technology Company that has not met the Commercialisation Revenue Threshold at the time of listing

<sup>4</sup> SIIIs that have invested at least 12 months before the date of the listing application of a Specialist Technology Company

<sup>5</sup> "Key Persons" includes

- founders;
- beneficiaries of weighted voting rights;
- executive directors and senior management; and
- key personnel responsible for the technical operations and/or R&D of its Specialist Technology Product(s)

	Commercial Companies	Pre-Commercial Companies	
<b>Working capital requirement</b>	At least 100% of the group's requirement for at least the next 12 months	At least 125% of the group's requirement for at least the next 12 months	
<b>Third party investment</b>	The applicant must have received meaningful investment from Sophisticated Independent Investors ("SIIs"). As an indicative benchmark, an applicant meeting the following requirements will be generally considered as having received "meaningful investment": • Investment from a group of two to five Pathfinder SIIs <sup>4</sup> that satisfy both (a) and (b) below:		
	Investment from Pathfinder SIIs	Minimum investment as a % of the applicant's issued share capital as at the date of the listing application and throughout the preapplication 12-month period	Minimum amount invested in the applicant at least 12 months prior to the date of the listing application (excluding any subsequent divestments made on or before the date of the listing application)
	(a) Two to five Pathfinder SIIs	≥10% in aggregate	OR ≥HK\$1.5 billion in aggregate
	(b) At least two Pathfinder SIIs referred to in (a)	≥3% each	OR ≥HK\$450 million each
	• At least the following aggregate investment from all SIIs (as a % of issued share capital) as at the time of listing (before exercise of any over-allotment option):		
	<b>Market capitalisation</b>	<b>Commercial Companies</b>	<b>Pre-Commercial Companies</b>
	< HK\$15 billion	20%	25%
	≥HK\$15 billion but <HK\$30 billion	15%	20%
	≥HK\$30 billion	10%	15%
<b>Post-IPO lock-up</b> (For securities beneficially owned as disclosed in listing document (excluding those sold under any offer for sale contained in the listing document))	<b>Persons subject to lock-up</b>	<b>Commercial Companies</b>	<b>Pre-Commercial Companies</b>
	Controlling shareholders & Key Persons <sup>5</sup>	12 months from the date of listing	24 months from the date of listing
	Pathfinder SIIs	6 months from the date of listing	12 months from the date of listing

# Hong Kong stock exchange

## Highlights of listing requirements

### Hong Kong GEM:

#### (A) Highlights of listing requirements

##### Track record and market capitalisation requirements

- Trading record of not less than two financial years
- No profit requirement
- Two Financial Eligibility Tests:
  - Cash flow test
    - Positive cashflow generated from operating activities of at least HK\$30 million in aggregate for the two preceding financial years
    - Market capitalisation of at least HK\$150 million at the time of listing
  - Market capitalisation/ revenue/ R&D test
    - Revenue of at least HK\$100 million in aggregate for the two most recent audited financial years, with a year-on-year growth of revenue over the two financial years
    - Market capitalisation of at least HK\$250 million at the time of listing
    - R&D expenditure:
      - at least HK\$30 million in aggregate for the two preceding financial years
      - at least 15% of the total operating expenditure for each of the two preceding financial years
- Exemptions may be granted for mineral companies and newly formed project companies, such as major infrastructure projects, which can have shorter trading records
- Must be under substantially the same management for the two preceding full financial years and up until the date of listing
- Must have a continuity of ownership and control for the preceding full financial year and up until the date of listing

##### Minimum public float

- Market capitalisation of at least HK\$45 million held by the public at the time of listing
- Minimum 25% of the issuers' total issued share capital at the time of listing
- The Exchange may, at its discretion, accept a percentage of public float between 15% and 25% if the market capitalisation of the issuer at the time of listing exceeds HK\$10 billion

##### Future prospects

- Statement of business objectives for the period covering the remaining financial year during which listing occurs and the two full financial years thereafter
- Inclusion of profit forecast is optional

##### Accountants' report

- Must be prepared in accordance with (i) Hong Kong Financial Reporting Standards (HKFRS), or International Financial Reporting Standards (IFRS), or the Accounting Standards for Business Enterprises of the People's Republic of China (CAS) in the case of a PRC issuer that has adopted CAS for the preparation of its annual financial statements
- For Overseas Issuers, the Exchange may allow the accountant's report to be drawn up otherwise than in conformity with HKFRS and IFRS. The list of alternative overseas financial reporting standards that are considered comparable to HKFRS or IFRS and acceptable by the Exchange is published on the Exchange's website ([GL111-22](#)), as amended from time to time. In such case, the report will be required to include a reconciliation statement setting out the financial effect of the material differences (if any) from either HKFRS or IFRS. The reconciliation statement should be reviewed by reporting accountants
- In general, accountants' report covers at least two complete financial years, immediately preceding the issue of the prospectus
- The latest financial period reported on by the reporting accountants must not have ended more than six months before the date of the listing document

##### Corporate governance

- At least three independent non-executive directors required
- Must appoint independent non-executive directors representing at least one-third of the board
- At least a director of a different gender for listing applications submitted on or after 1 July 2022
- Audit committee required
- Remuneration committee required
- Required to appoint a compliance adviser for the period commencing on initial listing and ending on publication of financial results for the first full financial year after listing

##### Core shareholder protection standards

- Must meet the core shareholder protection standards concerning
  - the notice and conduct of general meetings;
  - members' right to remove directors, requisition a meeting, vote, speak and appoint proxies or corporate representatives;
  - the reservation of auditor appointment, etc. to a committee independent of the board of directors of a company or a majority of the shareholders and the reservation of certain other material matters to supermajority votes by shareholders;
  - restrictions on the term of a director appointed to fill a casual vacancy;
  - availability of the shareholders' register for inspection; and
  - restrictions on shareholder voting on certain matters required by the Listing Rules

##### Restrictions on controlling shareholders

- A controlling shareholder at the time of listing must undertake:
  - Not to dispose of his interest in the issuer from the prospectus issue date to the first six months after listing
  - Not to dispose of his interest in the issuer in the next six months such that he would cease to be a controlling shareholder: at least 30% interest in the issuer

##### Other considerations

- Competing businesses of controlling shareholders, substantial shareholders or directors are allowed but full disclosure is required
- Mandatory public offering of at least 10% of the total offer size
- No underwriting requirement
- Listed issuer is not allowed to issue new securities in the first six months after listing except for the purpose of acquiring assets which will complement its business

# Hong Kong stock exchange

## Highlights of listing requirements

### Hong Kong GEM:

#### (B) Specific listing requirements for mineral companies

“Mineral company” means a new applicant whose major activity is the exploration for and extraction of minerals or petroleum products; and a “major activity” is one that represents 25% or more of the total assets, revenue, or operating expenses, of the listed issuer and its subsidiaries.

Features	
	<ul style="list-style-type: none"> <li>Has at least a meaningful portfolio of contingent resources or indicated resources which is identifiable under a recognised reporting standard<sup>1</sup> and substantiated in an independent technical report by a Competent Person<sup>2</sup></li> <li>Has the rights to participate actively in the exploration for and/or extraction of the relevant resources through:                             <ul style="list-style-type: none"> <li>control over a majority (i.e. ≥50% of interest) (by value) of the assets in which it has invested, together with adequate rights over the exploration for and extraction of the relevant resources; or</li> <li>adequate rights, which give it sufficient influence in decisions over the exploration for and/or extraction of those resources</li> </ul> </li> <li>If the mineral company has commenced production, provides an estimate of cash operating costs. If it has not yet begun production, discloses its plans to proceed to production with indicative dates and costs. These plans must be supported by at least a scoping study, substantiated by the opinion of a Competent Person</li> </ul>

Working capital requirements	
	<ul style="list-style-type: none"> <li>Has available working capital for 125% of its working capital needs, for at least 12 months from the date of publication of listing document</li> </ul>

Waivers from basic listing requirements	
	<p>The Exchange may accept a trading record period of less than two financial years if:</p> <ul style="list-style-type: none"> <li>Directors and senior managers, taken together, have sufficient experience in the type of exploration and extraction activity that the mineral company is pursuing</li> <li>Individuals relied on have ≥ five years relevant industry experience</li> <li>Positive cashflow generated from operating activities of at least HK\$30 million for that shorter trading record period</li> </ul>

<sup>1</sup> Recognised reporting standard –

A mineral company must disclose its mineral resources and reserves under the JORC Code, NI 43-101 and the SAMREC Code; and disclose its petroleum resources and reserves under PRMS. If other reporting standard is adopted, it has to provide a reconciliation to an accepted reporting standard.

Any valuation of a mineral company’s mineral or petroleum assets must be prepared under the CIMVAL Code, SAM VAL Code or VALMIN Code and the basis of the valuation, relevant assumptions and reasons for choosing a particular method of valuation, must be clearly stated. The valuation must be done by competent evaluator.

<sup>2</sup> Competent Person must –

(1) have a minimum of five years experience relevant to the style of mineralisation and type of deposit under consideration or to the type of petroleum exploration, reserve estimate (as appropriate), and to the activity which the listing applicant is undertaking;

(2) be professionally qualified, and be a member in good standing of a relevant recognised professional organisation, in a jurisdiction where, in the Exchange’s opinion, the statutory securities regulator has satisfactory arrangements with the SFC for mutual assistance and exchange of information for enforcing and securing compliance with the laws and regulations of that jurisdiction and Hong Kong;

(3) take overall responsibility for its report; and

(4) be independent.

#### (C) Transfer mechanism – Transfer from GEM to Main Board

	Transfer (under Chapter 9A of Main Board Listing Rules)	Streamlined Transfer <sup>1</sup> (under Chapter 9B of Main Board Listing Rules)
<b>A. Qualifications for transfer</b>	<p>The transfer applicant must:</p> <ul style="list-style-type: none"> <li>Meet all the qualifications for listing on the Main Board</li> <li>Have published its financial results for the first full financial year commencing after the date of its initial listing on GEM</li> </ul>	<ul style="list-style-type: none"> <li>Have published its financial results for three full financial years as a GEM issuer with ownership continuity and control and no fundamental change in its principal business throughout the three-year financial track record period</li> </ul>
	<ul style="list-style-type: none"> <li>Clean compliance record: (a) not have been held to have committed a serious breach of any Listing Rules in the 12 months preceding the transfer application and until the commencement of dealings in its securities on the Main Board; and (b) not be the subject of any investigation by the Exchange, or any ongoing disciplinary proceedings under Chapter 3 of the GEM Listing Rules or Chapter 2A of the Main Board Listing Rules, in relation to a serious breach or potentially serious breach of any Listing Rules as at the date of the transfer application and the date when dealing in its securities commences on the Main Board</li> </ul>	
	<ul style="list-style-type: none"> <li>No requirements</li> </ul>	<ul style="list-style-type: none"> <li>Meet Daily Turnover Test – have reached the minimum daily turnover threshold of HK\$50,000 on at least 50% of the trading days over the reference period<sup>2</sup>; and</li> <li>Meet Volume Weighted Average Market Capitalisation test - have a volume weighted average market capitalisation over the reference period that could meet the minimum market capitalisation requirement for listing on the Main Board</li> </ul>
<b>B. Sponsor appointment/ due diligence</b>	<ul style="list-style-type: none"> <li>A sponsor must be appointed at least two months before the submission of a transfer application</li> </ul>	<ul style="list-style-type: none"> <li>No requirements</li> </ul>
<b>C. Publication of a listing document</b>	<ul style="list-style-type: none"> <li>To issue a "prospectus-standard" listing document</li> </ul>	<ul style="list-style-type: none"> <li>Not required to issue a "prospectus-standard" listing document</li> <li>To submit certain application documents as required by the Exchange</li> </ul>
<b>D. Transfer announcement</b>	<ul style="list-style-type: none"> <li>No requirements</li> </ul>	<ul style="list-style-type: none"> <li>To publish an announcement as soon as practicable before the intended date dealings in the issuer’s shares on the Main Board are expected to commence</li> <li>Such announcement should be pre-vetted by the Listing Division</li> </ul>

This content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.

<sup>1</sup> A GEM issuer that cannot meet the streamlined requirements under Chapter 9B of the Main Board Listing Rules may apply for a transfer under Chapter 9A of the Main Board Listing Rules.

<sup>2</sup> The reference period refers to the 250 trading days immediately preceding the transfer application and until the commencement of dealings in its securities on the Main Board. For this purpose, the reference to “trading days” excludes the number of trading days on which trading of the applicant’s securities were halted or suspended.