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Introduction to Listing on the Main Board of The Stock Exchange of Hong Kong Limited

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Hong Kong Main Board (MB) IPO 2026

Reasons for Choosing Hong Kong Main Board for IPO in 2026

Market Resurgence

- 2025: 119 IPOs raising HK\$285.8B (+225% YoY)
- 2026 Q1: 24 IPOs, HK\$89.2B (+1,015% growth)
- *Reclaimed #1 Asia IPO market*

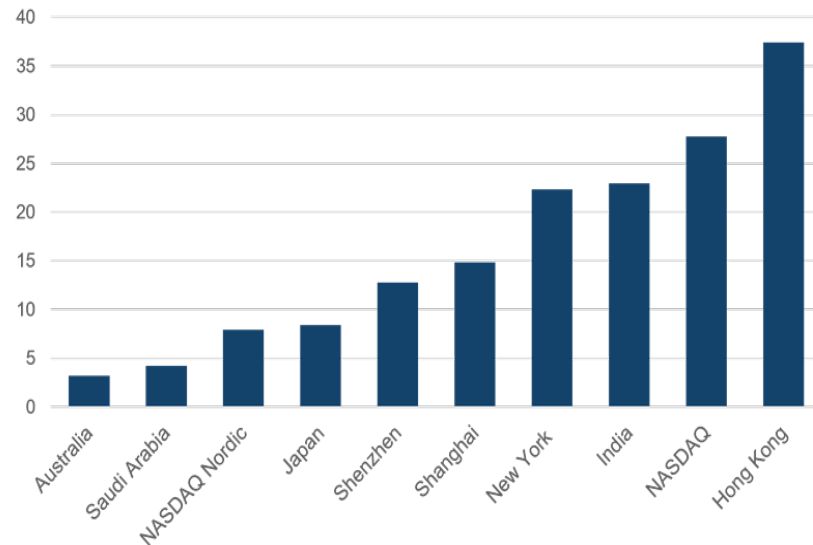
Strong Momentum

- 300+ applications in pipeline (March 2026)
- Projected HK\$320-350B for full year 2026 (PwC forecast)
- H-shares: 76 listings in 2025 (+153%)

Regulatory Flexibility

- Multiple pathways/ Dual/ Secondary listings
- New sector opportunities: Specialist Tech and Biotech Companies

Hong Kong Tops 2025 IPO Volume Ranking (US\$bn)



Source: Dealogic, data as of 31 December 2025

Note: This ranking does not include SPAC IPOs

Listing Procedure

Step 1: Listing Preview and Preparation

Evaluate the listing feasibility of the new applicant, appointment of sponsor and other professional parties, confirmation on the listing group structure, and formulation of the listing timetable aligned with regulatory milestones

Step 2: Documents Preparation

Conducting comprehensive due diligence (business, legal, financial), drafting prospectus and preparing application documents including Form A1

Step 3: Listing Application

Submit Form A1 Listing Application Form, Reply SEHK & SFC queries, obtain listing approval upon listing committee hearing and select underwriting team members (marketing activities begin)

First round of comments will generally be provided within 15 business days from receipt of application. There is no pre-set time frame for a listing timetable. This will depend on the Company's response time and quality of response.

Step 4: Marketing, Pricing and Allocation Share Offer

Prepare marketing materials, research report, discuss & liaise with analysts and underwriting team, pre-roadshow, issue prospectus, pricing and decision on placement list, end of marketing activities, complete underwriting and allocation procedures ahead of listing (Official trading of company's shares commences)

Step 5: Listing on SEHK

After successfully pricing and allocating the shares to institutional investors and retail investors, the Company will be listed on the Stock Exchange of Hong Kong for trading.

2026 Regulatory Landscape (Dynamic)

Implemented

- Aug 2022: New bookbuilding conduct rules (OC role, fee transparency)
- Mar 2023: Specialist Technology Company regime (Chapter 18C)
- Nov 2023: FINI launch (T+2 IPO settlement)
- Dec 2023: Paperless regime (mandatory e-dissemination)
- Jan 2024 : The Guide for New Listing Applicants (Guide) came into effect on 1 January; all individual new listing guidance letters and listing decisions were archived.
- October 2024: Enhanced Timeframe for New Listing Application Process
- May 2025: Dedicated technology enterprises channel (TECH)
- Aug 2025: New allocation mechanisms A & B
- Jan 2026: New public float rules (monthly reporting); Sponsor Work – Key Regulatory Concerns & Enhanced Standards
- July 2026: WVR Threshold Reduction; Secondary Listing Threshold Reduction; Confidential Filing Expansion

In Progress

- Q4 2026: HKEX Issuer Access Platform (IAP) launch

Content

- Eligibility
- IPO Vetting Procedure
- Major Professional Parties Involved
- Bookbuilding and Allocation
- Pricing to Listing
- Post-Listing Compliance
- Other Common Issues and Practical Solutions
- Recent Development on Listing Matters
- Key Takeaways

2. Eligibility

Key Listing Requirements for the MB (Listing Rule “LR” Chapter 8)

Financial Tests in Comparison

The Issuer must satisfy any one of the following tests:

Profit Test

- Market capitalization at the time of listing more than HK\$500m
- Profit attributable to shareholders of the most recent year more than HK \$35m
- Profit attributable to shareholders of the two preceding years more than HK\$45m

Market Cap/ Revenue Test*

- Market capitalization at the time of listing more than HK\$4bn
- Revenue* of the most recent audited year more than HK\$500m

Market Cap/ Revenue/ Cash Flow Test

- Market capitalization more than HK\$2bn at the time of listing
- Revenue* of the most recent audited year more than HK\$500m
- Aggregate positive cash flow from operating activities for 3 preceding financial years more than HK\$100m

*Only revenue arising from the principal activities; excludes revenue and gains that arise incidentally will be recognized.

Common Requirements

- i. Trading record of not less than three financial years;
- ii. Management continuity for at least the three preceding financial years;
- iii. Ownership continuity and control for at least the most recent audited financial year, with no material change in influence on management for at least the most recent audited financial year up until the time immediately prior to listing despite a change in ownership;
- iv. 25% or more of the issuer's total number of issued shares in that class of shares (excluding treasury shares) or a lower minimum percentage of public float prescribed at the time of listing (can reduce to at least 10% if market cap > HK\$1bn) with mandatory monthly reporting;
- v. At least 300 public shareholders and not more than 50% of securities in public hands at the time of listing;
- vi. At least 3 independent directors representing at least one third of the board; and
- vii. Semi-annual financial reporting (HKFRS/ IFRS/ US GAAP for subsidiaries of US-listed parents seeking to list on the HKEX and companies with substantial business operations in the US).

Relaxation of Trading Record Period Requirements for Market Capitalization / Revenue Test

8.05A

In the case of the market capitalization /revenue test, the Exchange will accept a shorter trading record period under substantially the same management if the new applicant is able to demonstrate the following:

- 1) the directors and management of the new applicant have sufficient and satisfactory experience of at least three years in the line of business and industry of the new applicant. Details of such experience must be disclosed in the listing document of the new applicant; and
- 2) management continuity for the most recent audited financial year.

Note: Mineral Companies relying on this provision must comply with the additional requirements under LR 18.04.

Suitability for Listing

LR 8.04 - Both the issuer and its business must, in the opinion of the Exchange, be suitable for listing.

GL68-13 - There is no bright line test in determining what would render an applicant and its business not suitable for listing.

Guidance materials of SEHK should be followed; companies considered as unsuitable for listing by the SEHK may include:

- Cash companies or companies with assets consisting wholly/substantially of cash or short-dated securities
- Companies unable to operate independently or heavily reliant on connected party transactions
- Companies with deteriorating financial performance or lacking commercial rationale for listing

Confidential Filing Expansion

Confidential Filing Expansion

- Issuers can submit Application Proofs confidentially, allowing regulators to vet sensitive and information and commercial strategies, with full transparency only required at post-hearing stage.
- Extended to all new listing applicants (vs. previously: biotech, specialist tech, secondary listings only)
- Preserves transparency: full disclosure still required post-hearing before listing
- Issuers continue to require PHIPs to be published no later than the first occurrence of: (a) the time at which the new applicant first distributes any red herring document to institutional or other professional investors; (b) The time at which the bookbuilding process commences irrespective of whether the process involves a meeting (whether held physically or by video conference or any other medium) between the new applicant and institutional or other professional investors, or whether any red herring document has been distributed; and if a new applicant has also scheduled a listing of its securities on an overseas exchange at or around the same time as its prospective listing in Hong Kong, simultaneously with any overseas publication of similar information. (MB Practice Note 22)

Enhanced Return Mechanism

- When applications returned as incomplete, HKEX will publish identities and roles of all responsible professional parties
- List of professional parties involved in an offering will be displayed on a designated webpage of the Exchange upon the return of the listing application: Sponsors, Legal advisers to the company (including those to Hong Kong laws and laws of other jurisdictions), Legal advisers to the sponsors (including those to Hong Kong laws and laws of other jurisdictions), Reporting accountants and independent auditors, Industry consultant, and other experts who have consented to the inclusion in the AP and Promoters.
- Strengthens accountability beyond sponsor disclosure alone
- **Eight-week moratorium:** From the date of the Listing Division's decision to either (a) the date on which all applicable review procedures in respect of that decision have been completed; or (b) the date on which the time period for involving any such review procedures has lapsed.

Special Regimes for Listing on Main Board

Special Regimes

1. Companies with Weighted Voting Rights (WVR) Structure - Chapter 8A
2. Minerals Companies – Chapter 18
3. Biotech Companies – Chapter 18A
4. Special Purpose Acquisition (SPAC) Companies – Chapter 18B
5. Specialist Technology Companies – Chapter 18C
6. Transfer of Listing from GEM to Main Board - Chapter 9A
7. Dual Primary Listing of Overseas Issuers – Chapter 19
8. Secondary Listings of Qualifying Issuers - Chapter 19C

Special Regimes in a Glance

	Min Market Cap	Revenue	Special Eligibility	Main Lock-up months (M)	Stock Marker
WVR (8A)	HK\$6B or HK\$20B	≥ HK\$600M for the most recent audited financial year (if HK\$6B route)	Innovative company + meaningful SII investment	12M (WVR beneficiaries)	W
Biotech (18A)	HK\$1.5B	None	Beyond concept stage + 1 core product	6M (cornerstone investors) 12M (controlling shareholders)	-
SPAC (18B)	HK\$1B (IPO raise) with min. 10% unlisted promoter shares	N/A	Licensed promoter(s) + professional investors only	12M (promoters on successor)	Z
Tech (18C Commercial)	HK\$4B	HK\$250M	Acceptable sector of a Specialist Technology Industry + ≥15% R&D ratio	12M (controllers, key persons)	-
Tech (18C Pre-commercial)	HK\$8B	None (must have credible path to HK\$250M)	Same + higher R&D ratios (30-50% depending on revenue)	24M (controllers, key persons)	P
Secondary (19C)	HK\$3B-40B	Varies	2-5 yrs min. track record on qualifying exchange*	Waiver may be available	S

SII = Sophisticated Independent Investor

* (i) 5 years on a Qualifying Exchange (non-WVR, Criteria A); (ii) 2 years on a Qualifying Exchange (non-WVR, Criteria B, with HK\$10B market cap); (iii) 2 years for WVR issuers.

Special listing regime requirements apply to mineral companies under Chapter 18

Weighted Voting Rights – Chapter 8A

- “Weighted voting right” means the voting power attached to a share of a particular class that is greater or superior to the voting power attached to an ordinary share, or other governance right or arrangement disproportionate to the beneficiary’s economic interest in the equity securities of the issuer
- “WVR structure” means a structure of an issuer that results in weighted voting rights
- Only new applicants are able to list with a WVR structure (MB LR 8A.05)
- A listed issuer must not increase the proportion of shares that carry weighted voting rights above the proportion in issue at the time of listing (MB LR 8A.13)
- For issuers $\geq$ HK\$40B market cap at the time of listing, permitted WVR ratio would increase from 10:1 to up to 20:1 per WVR share (no uplift for existing WVR issuers).

Key Listing Requirements (Chapter 8A, GL93-18)

	Route A (Technology-focused)	Route B (Innovative Business Model)
Innovative Company definition	Success is demonstrated to be attributable to the application, to the company's core business the adoption of technologies that are either novel, in themselves, or essential to the novelty of its core business with success is demonstrated to be attributable to its R&D, intellectual property or outsized market cap or intangible asset value.	Success is demonstrated to be attributable to the application, to the company's core business of a new business model that may not necessarily be enabled by technology, and expected to demonstrate both strong compound growth (CAGR) of at least 30% over its track record period and in a leading industry position arising from a differentiated business model
External validation	The Route A applicant must have received investment from a single Sophisticated Investor*.	The Route B applicant must have received meaningful third-party investment from at least one Sophisticated Investor* (which must remain at IPO) and is required to retain an aggregate 10% of the investment at the time of listing, subject to exceptionally large applicants with anticipated market capitalisation of over HK\$20 billion.

**Meaning of "sophisticated investor": the Exchange would assess whether an investor is sophisticated on a case-by-case basis by reference to its net assets or assets under management, relevant investment experience, and knowledge and expertise in the relevant field; and would normally consider an investor that meets any of the qualification criteria under the relevant guidance for SPACs and Specialist Technology Companies as sophisticated for this purpose.*

Key Listing Requirements (Chapter 8A, GL93-18)

Market capitalization

An applicant seeking a listing with a WVR structure must satisfy one of the following:

- (i) a market capitalization of at least HK\$20 billion at the time of listing; or
- (ii) a market capitalization of at least HK\$6 billion at the time of listing and revenue of at least HK\$600 million of revenue in its most recent audited financial year (MB Listing Rule 8A.06)

Success of company

- The applicant must demonstrate a track record of high business growth measured by operational metrics such as business operations, users, customers, unit sales, revenue, profits and/or market value (as appropriate) and its high growth trajectory is expected to continue

Contribution of WVR holders

- Each WVR beneficiary must have been materially responsible for business growth (by way of his skills, knowledge and/ or strategic direction) where company's value largely attributable to intangible human capital

Role of WVR holders

- Each WVR must be an individual with active executive role within the business, and has contributed to a material extent to ongoing growth of the business
- Each WVR beneficiary must be a director of the issuer at the time of listing

Minimum Underlying Economic Percentage at Listing

- The beneficiaries of weighted voting rights must beneficially own collectively $\geq 10\%$ of the underlying economic interest ($\geq 5\%$ only if it represent an amount of $\geq$ HK\$4 billion at listing) or in the applicant's total issued share capital at the time of its initial listing. (MB Listing Rule 8A.12)

Note: SEHK may accept lower minimum shareholding percentage if lower percentage shareholding still represents a very large amount in absolute dollar terms. For example, if the expected market capitalization of an applicant is over HK\$80 billion at the time of its initial listing.

Route A – Automatic Presumption of Innovative Company Status

- Certain applicant categories are automatically treated as meeting the Innovative Company Requirements under Route A, even when listing under Chapter 8 rather than the Specialist Chapters
- 1. **Qualified Biotech Applicants (under Ch. 18A)** qualify where they have: (1) brought at least one Core Product to market; (2) sustained R&D activity for that product in the 12 months before listing; and (3) held the associated IP rights
- 2. **Qualified Specialist Technology Applicants (under Ch. 18C)** qualify where they have: (1) commercialised Specialist Technology Product(s); and (2) met the applicable R&D expenditure threshold under LR 18C.04
- Presumption does not remove other requirements: applicants must still demonstrate company success and satisfy external validation criteria
- HKEX's Guide for New Listing Applicants clarifies "sophisticated investor" status, assessed by net assets/AUM, investment track record, and specialist knowledge in the field

Ongoing requirements for WVR beneficiaries

- At listing, any beneficiaries of weighted voting rights must be members of the applicant's board of directors. (MB Listing Rule 8A.11)
- The beneficiary's weighted voting rights in a listed issuer must cease if, at any time after listing, the beneficiary is: (1) deceased; (2) no longer a member of the issuer's board of directors; (3) deemed by the Exchange to be incapacitated for the purpose of performing his or her duties as a director; or (4) deemed by the Exchange to no longer meet the requirements of a director set out in these rules. (MB Listing Rule 8A.17)

Limits on WVR Power and Shareholder Protection

Limits on WVR Power (MB Listing Rule 8A.10)

- Voting power attached to WVR shares capped not more than 10 times (or 20 times if market capitalization at listing $\geq$ HK\$40 billion) of the voting power of ordinary shares.
(revision aligned with Shanghai and Shenzhen Stock Exchanges' main market and specialist market requirements)

Non-WVR Shareholders' right to vote (MB Listing Rule 8A.09)

- Non-WVR shareholders must have at least 10% of voting power at listed issuer's general meetings.

Note: It means an issuer cannot list with a WVR structure that attaches 100% of the right to vote at general meetings to the WVR beneficiaries.

Matters remained to be decided on one-share one- vote basis (MB Listing Rule 8A. 24)

- Changes to issuer's constitutional documents;
- Variation of rights attached to any class of shares;
- INED appointment & removal;
- Auditor appointment & removal;
- Voluntary winding-up of the listed issuer

Limits on WVR Power and Shareholder Protection

Disclosure (Warnings) (MB Listing Rule 8A. 37; 8A.42)

- An issuer with a WVR structure must include the warning “a company controlled through weighted voting rights” and describe WVR structure, the issuer’s rationale to have WVR structure and the associated risks for shareholders on front page of all of its listing documents, periodic financial reports, circulars, notifications and announcements.
- The listed equity securities of an issuer with a WVR structure must have a stock name that ends with the marker “W”.

Enhanced Corporate Governance (MB Listing Rule 8A. 30(1); 8A.34)

- Corporate governance committee must be established to review, monitor & report on the compliance of an issuer with a WVR structure with WVR safeguards and for the benefit of all its shareholders and confirm that the beneficiaries of the WVR have been members of the board of directors throughout the year.
- Ongoing compliance adviser to advise issuers on any matters related to the WVR Structure; transactions in which any WVR beneficiary in the issuer has an interests; and where there is a potential conflict of interest between the issuer, its subsidiary and/or shareholders of the issuer and any WVR beneficiary in the issuer.

Biotech Companies – 18A

- “Biotech” meaning the application of science and technology to product commercial products with medical or other biological application
- “Biotech Company” meaning a company primarily engaged in the research and development, application and commercialisation of Biotech Products, whereby “Biotech Products” mean biotech products, processes or technologies

Key Listing Requirements

Nature of company	• Having at least one core product beyond the concept stage (measured against development milestones specified by the Stock Exchange) • Being primarily engaged in research and development (“R&D”) for the core product(s) for at least 12 months • Having a portfolio of registered patents, patent applications and/or intellectual property in relation to the core products
Market capitalization (MB Listing Rule 8.05; 18A.030)	• Meets Chapter 8 requirements except the Financial tests under LR 8.05 • Has initial market capitalisation of HK\$1.5b
Record of operations (MB Listing Rule 18A.03)	• Has three financial years’ record of operations in the current line of business under substantially the same management
Enhanced working capital	• Meets enhanced working capital requirement (125% of requirement for 12 months following date of prospectus) that must substantially consist of the general, administrative and operating costs (including any production costs); and research and development costs.

Specific Guidance for Biotech Issuers (GL92-18)

For Drugs - Pharmaceuticals (small molecule drugs) & Biologics

- Completed Phase I clinical trial or for previously approved products (e.g. FDA's 505(b)(2)) – at least one trial on human subjects; and
- No objection to commence Phase II by Competent Authority

For Medical Devices (including diagnostic devices)

- Class II medical device (or equivalent) or above
- At least one clinical trial on human subjects
- No objection to proceed to further clinical trials or commence sales of the device by Competent Authority or Authorised Institution

For Other Biotech Products

- Will be considered on a case-by-case basis
- Need to demonstrate its is beyond concept stage by reference to the developmental milestones
- Appropriate framework or objective indicator for investors to make informed investment decisions

Specific Guidance for Biotech Issuers (Guide for New Listing Applicants)

Ownership continuity of a new applicant that is a Biotech Company

- The Exchange will review any change in ownership of the applicant in the 12 months prior to the date of the listing application in assessing the suitability of the applicant for listing.

Meaningful investment

- The applicant must have previously received meaningful third-party investment
- The investor must remain in place at the time of listing
- The Exchange will assess whether a third-party investment is a meaningful investment in the circumstances on a *case-by-case basis*. As an indicative benchmark the following investment amount will generally be considered as a "meaningful investment":

Market cap of listing applicant	Percentage invested in total issued share capital
HK\$1.5b – 3b	≥5%
HK\$3b – 8b	≥3%
>HK\$8b	≥1%

Enhanced disclosure for Biotech Company (LR18A.04)

A Biotech Company must also disclose in its listing document , including :

- Strategic objectives
- Details of core products
- Stage of R&D for core products and timeframe to reach commercialization
- Details of patent(s) granted, registered and applied for
- Details of relevant experience of directors and senior management and salient terms of any service agreement with its key management and technical staff
- General and specific risks associated with the approval process for core products
- Information that are material to business operations and estimate of cash operative costs

Special Measures to Manage Risks

- If there is fundamental change of principal business of a Biotech Company, prior consent from the SEHK is required. (MB Listing Rule 18A.10).
- Standard 18-month remedial period for insufficient operations.
- Accelerated de-listing process (not more than 12 months to re-comply with the requirement to maintain a sufficient level of operations or have tangible assets of sufficient value and/or intangible assets for which a sufficient potential value, if failed, the SEHK will cancel the listing) (MB Listing Rule 13.24 & 18A.09)

SPAC Companies – Chapter 18B

- A Special Purpose Acquisition Company (SPAC) is a company that (i) does not have its own operating business and (ii) is created solely for the purpose of carrying out a transaction related to the acquisition of a target company or a business combination (De-SPAC Transaction) and is aimed at achieving the listing of the target company as a successor company within a predetermined time frame.
- if the De-SPAC Transaction cannot be successfully completed within this time period, the SPAC will be dissolved and its assets will be liquidated.

Key Listing Requirements

Amount of funds	The amount of funds raised must be at least HK\$1 billion
Issue price	The issue price per share must be at least HK\$10.
Investment Restrictions	- Restricted to only Professional Investors, defined as Institutional Professional Investors and Non-Institutional Professional Investors under the Securities and Futures Ordinance, can initially subscribe for and trade a SPAC's securities before it completes a business combination transaction. - Each type of SPAC security (shares and/or warrants) must be distributed to a minimum of 75 professional investors, with at least 20 of those being Institutional Professional Investors. This relaxes the earlier proposal to require distribution to a minimum of 30 Institutional Professional Investors. (MB LR 18B.05)

De-SPAC Transaction Requirements

Fair Market Value of the De-SPAC Target (MB Listing Rules 18B.39)	The De-SPAC Target must have a fair market value of at least 80% of the SPAC's IPO funds raised. The HKEX considers various factors in assessing fair market value.
Independent Third Party Investment (MB Listing Rules 18B.40)	A SPAC must obtain funds from independent third party professional investors to complete the De-SPAC Transaction. The required investment amount depends on the size of the De-SPAC Target.
Minimum Investment by Significant Independent Professional Investor (MB Listing Rules 18B.41)	The independent third party investment must include significant investment from independent sophisticated investors, meeting specific criteria.
Announcement of the De-SPAC Transaction (MB Listing Rules 18B.44)	The SPAC is required to publish a De-SPAC Announcement as soon as possible after the terms of the De-SPAC Transaction have been finalised.
Shareholder Approval of De-SPAC Transactions (MB Listing Rules 18B.53)	Approval by SPAC shareholders in a general meeting is required for the De-SPAC Transaction, written shareholders' approval will not be accepted in lieu of holding a general meeting.
Completion Deadline for De-SPAC Transactions (MB Listing Rules 18B.70)	The De-SPAC Transaction must be completed within 36 months of the SPAC's listing date.
Extension of SPAC Announcement or Transaction Deadline (MB Listing Rules 18B.72)	SPACs can request a six-month extension of the Announcement Deadline or the Transaction Deadline, subject to shareholder approval.

SPAC Promoters and Directors

Eligibility and Licensing Requirements (GL113-22)

Eligibility of SPAC Promoters:

HKEX evaluation	HKEX assesses character, experience, and integrity of SPAC Promoters, including those establishing a SPAC or owning shares issued by the SPAC.
Competence standard	SPAC Promoters must demonstrate competence aligned with their position.

SFC Licensing Requirement:

Listing and ongoing basis	At least one SPAC Promoter must hold licenses for regulated activities Type 6 (advising on corporate finance) and/or Type 9 (asset management) under the Securities and Futures Ordinance (SFO).
Promoter Shares ownership	The licensed SPAC Promoter must beneficially own a minimum of 10% of Promoter Shares, separate from SPAC Shares, issued exclusively to them by the SPAC at nominal consideration.
Overseas accreditation	SPAC Guidance Letter allows SFC to consider waiving licensing requirements on a case-by-case basis for SPAC Promoters with overseas accreditations equivalent to SFC Type 6 or Type 9 licenses.

SPAC Promoters and Directors

Eligibility and Licensing Requirements (GL113-22)

Material Changes in SPAC Promoters (MB Listing Rules 18B.32):

Approval requirements	Material changes in controlling SPAC Promoters (alone or together with its close associates, controls or is entitled to control 50% or more of the Promoter Shares in issue or the single largest SPAC Promoter), licensed Promoters, or the suitability/eligibility of Promoters require approval by special resolution of SPAC shareholders at general meeting and HKEX.
Examples of material changes	Departure or addition of a Promoter, change in Promoter control, or changes in eligibility/suitability due to license revocation/suspension or breach of relevant laws/regulations.

SPAC Directors (MB 18B.13):

Composition requirements	SPAC boards must include at least two SFC-licensed persons for Type 6 and Type 9 activities, with one being a licensed person of a SPAC Promoter.
INEDs	HKEX Listing Rules (Chapter 3) mandate that Independent Non-Executive Directors (INEDs) should comprise at least one-third of the SPAC board, with a minimum of three INEDs.

Share Redemption and Lock-up Requirements

Share Redemptions (MB Listing Rules 18B.57)	Shareholders must be given the opportunity to redeem their shares at the IPO price before certain events, such as a De-SPAC Transaction, material change in SPAC Promoter, or extension of deadlines.
Open Market in Successor Company's Shares (MB Listing Rules 18B.65)	The minimum number of shareholders required at the listing of the Successor Company is reduced from 300 to 100.
SPAC Promoter Lock-up (MB Listing Rules 18B.66)	SPAC Promoters are restricted from disposing of their holdings in the Successor Company for 12 months after the completion of the De-SPAC Transaction.
Controlling Shareholder Lock-up (MB Listing Rules 18B.67)	Controlling shareholders of the Successor Company are subject to lock-up provisions regarding the disposal of their shares following the listing.
De-Listing (MB Listing Rules 18B.74)	A SPAC must (within one month of the suspension) return the funds it raised at its initial offering by distributing or paying to all holders of SPAC Shares the monies held in the escrow account referred to in rule 18B.16 on a pro rata basis, for an amount per SPAC Share that must be not less than the price at which the SPAC Shares were issued at the SPAC's initial offering.

Specialist Technology Company – Chapter 18C

The eligibility or suitability criteria vary based on the level of commercialization of the applicants. There are two categories: Commercial Companies and Pre-Commercial Companies.

Eligibility Requirements	Commercial Companies	Pre-Commercial Companies
Minimum expected Market capitalisation	HK\$4 billion	HK8 billion
Minimum Revenue for the most recent audited financial year	HK\$250 million	No requirement, but must demonstrate a “credible path” to achieving the HK\$250 million threshold
Minimum R&D expenditure ratio threshold (on yearly basis for at least two of the three financial years prior to listing; and on aggregate basis over the three financial years)	15%	With revenue for the most recent audited financial year • ≥ HK\$150 million: 30% • < HK\$150 million: 50%

Key Listing Requirements

Ownership continuity	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
Minimum free float	shares (listed on HKEX not subject to any disposal restrictions) with a market capitalisation of at least HK\$600 million upon listing
Optimised price discovery process	≥ 50% of offer shares (before exercise of over-allotment option) must be taken up by “Independent Price Setting Investors” (comprising Institutional Professional Investors; and other types of investors with AUM, fund size or investment portfolio size of at least HK\$1 billion that satisfy the same independence requirement)
Minimum allocation of shares to public subscription tranche (as a percentage of total offer shares)	• 5% - initial allocation • 10% - over-subscription of 10x to < 50x • 20% - over-subscription of ≥50x
Existing shareholders subscribing IPO shares	• holder of < 10% may subscribe as corner investor or placee • holder of ≥10% may subscribe as corner investor
Profit	No requirement

Key Listing Requirements

Minimum total investment from third-party investors at listing (as a percentage of applicant's issued share capital before exercise of over-allotment option)

Commercial Companies

- 20% (for companies with market cap $\geq$ HK\$6 billion to $<$ HK\$15 billion)
- 15% (for companies with market cap $\geq$ HK\$15 billion to $<$ HK\$30 billion)
- 10% (for companies with market cap $\geq$ HK\$30 billion)

Pre-commercial Companies

- 25% (for companies with market cap $\geq$ HK\$10 billion to $<$ HK\$15 billion)
- 20% (for companies with market cap $\geq$ HK\$15 billion to $<$ HK\$30 billion)
- 15% (for companies with market cap $\geq$ HK\$30 billion)

Indicative minimum investment benchmark from third-party investors

in aggregate hold $\geq$ 10% of an applicant's issued share capital as at the date of listing application and throughout the pre-application 12-month period; or otherwise have invested an aggregate sum of $\geq$ HK\$1.5 billion in the applicant at least 12 months prior to the application date (excluding any subsequent divestments made on or before the application); Provided that at least two such Pathfinder SII's: each hold $\geq$ 3% of an applicant's issued share capital as at the date of listing application and throughout the pre-application 12-month period; or otherwise each have invested $\geq$ HK\$450 million in the applicant at least 12 months prior to the application date (excluding any subsequent divestments made on or before the application date)

Post-IPO Lock-up Requirements

Persons (including their respective close associates)	Lock-up Period	
	Commercial Companies	Pre-Commercial Companies
Controlling shareholders	12 months	24 months
“Key persons” comprising : - founders (including founding members of key operating subsidiaries) - beneficiaries of weighted voting rights - executive directors and senior management - key personnel responsible for the technical operations and/or R&D	12 months	24 months
Pathfinder SIs that satisfy the indicative minimum investment benchmark (above)	6 months	12 months
Cornerstone investors	Generally for at least 6 months	

Secondary Listings for Qualifying Issuers – Chapter 19C

Qualifying Issuer is an issuer primary listed on a Qualifying Exchange (i.e. The New York Stock Exchange LLC, Nasdaq Stock Market of the Main Market of the London Stock Exchange plc and belonging to the UK Financial Conduct Authority's Premium Listing Segment

Grandfathered Greater China Issuer meaning a Great China Issuer primary listed on a Qualifying Exchange on or before 15 December 2017, with its center of gravity in Greater China

Non-Grandfathered Greater Chinese issuer is a Greater China Issuer that was primary listed on a Qualifying Exchange after 15 December 2017

An overseas issuer with a WVR structure must have a track record of good regulatory compliance of at least two full financial years on a Qualifying Exchange (LR19C.04)

Qualifications for Listing

An overseas issuer **with** a WVR structure must have a track record of good regulatory compliance of at least two full financial years on a Qualifying Exchange (LR19C.04) and must satisfy one of the following criteria (LR19C.05): (1) a market capitalisation of at least HK\$20b at the time of listing; or (2) a market capitalisation of at least HK\$6 billion at the time of listing and revenue of at least HK\$600 million for the most recent audited financial year

An overseas issuer **without** a WVR structure must satisfy Criteria A or Criteria B:

	Criteria A		Criteria B
	Overseas Issuer	Non-Greater China Issuers	
Track record of good regulatory compliance	At least five full financial years on a Qualifying Exchange	At least five full financial years on any Recognised Stock Exchange	at least two full financial years on a Qualifying Exchange
Market capitalisation	at least HK\$3b at the time of listing		at least HK\$6b at the time of listing

Flexibility for Commercialised Specialist Companies

- HKEX Listing Rules now permit commercially active **Biotech Companies** and **Specialist Technology Companies** ("Eligible Specialist Companies") to list under Chapter 18A or 18C even when financially eligible for standard Chapter 8
- Rationale: certain Specialist Chapter requirements were designed for pre-revenue/early-stage companies — meeting Rule 8.05 financial tests is itself evidence of commercial viability, so those requirements are disappplied for Eligible Specialist Companies
- Removes the prior requirement to convert to a standard listing once a Rule 8.05 financial eligibility test is met
- Advantage: Gives issuers flexibility to choose the framework best suited to their business

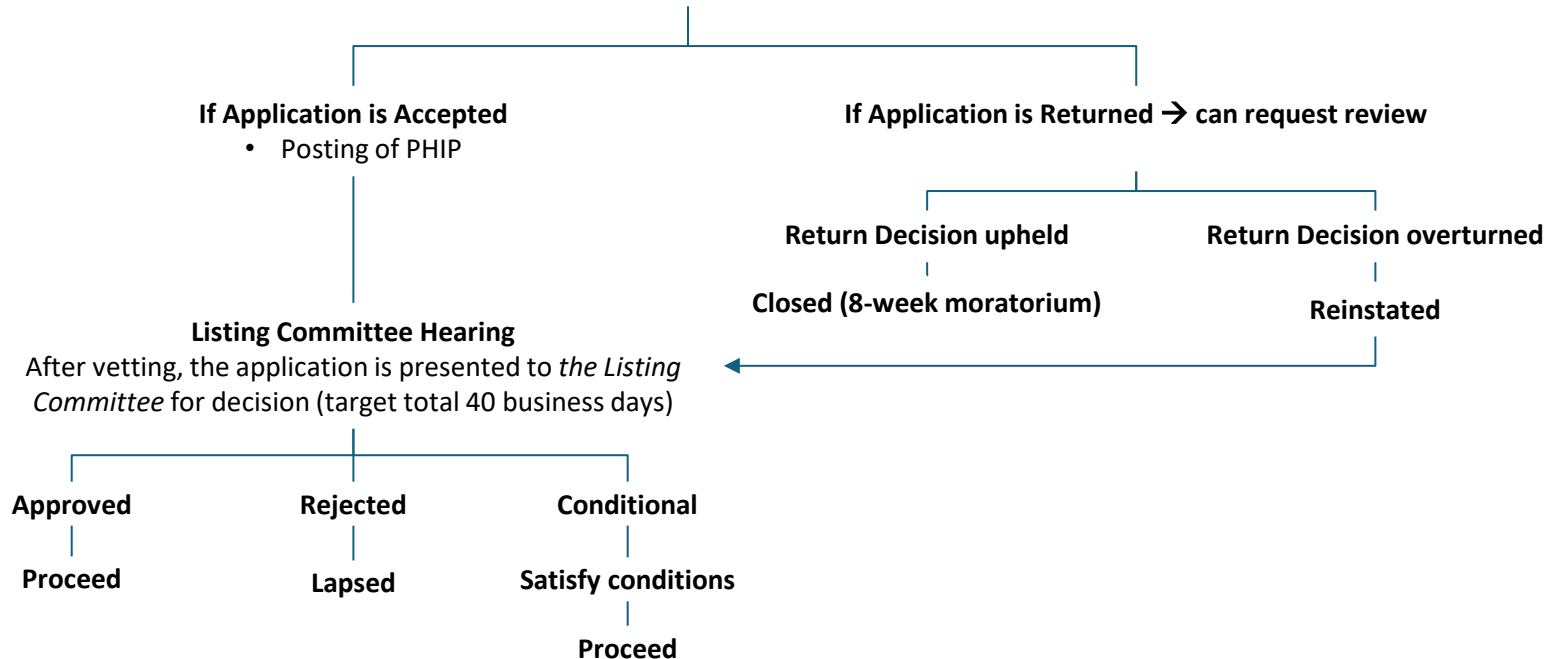
3. IPO Vetting Procedure

Submission and posting of Application Proof

Applicant submits Form A1 together with all required Application Materials, including the Application Proof of the prospectus (AP)

Substantial Completeness Check

The Exchange conducts an initial check of substantial completeness and posts the AP on the designated “New Listings – Application Proof, PHIP and related materials” webpage (subject to any exemption)



If Application is Returned (not Substantially Complete) ...

A Return Decision letter is issued to the applicant and sponsor.

Accelerated review of Return Decision

- The applicant/sponsor may request an accelerated review of the Return Decision under the Listing Rules.
- The application is then considered at a first review hearing by the Listing Committee and, if requested and permitted, at a second review hearing by the Listing Review Committee.

Outcome and moratorium

If the Return Decision is **upheld** (after review, or if no review is sought): the application is treated as returned

- A moratorium of 8 weeks applies: a new listing application (with fresh Application Materials and AP) cannot be submitted earlier than 8 weeks from the date of the Return Decision letter.

If the Return Decision is **overturned**:

- The original application is reinstated and proceeds to substantive vetting.

If Application is Accepted as Substantially Complete ...

Substantive vetting

- The IPO Vetting Department and the SFC commence detailed review of the Application Materials and issue comment letters.
- The timing of the first comment letter and subsequent rounds follows the enhanced application timeframe framework and depends on the number and complexity of comments and the quality and timeliness of responses.

Posting of PHIP (if applicable)

- When the application is sufficiently advanced and the offering is to be launched, a PHIP is submitted and posted on the designated AP/PHIP webpage and on the applicant's "New Listings" / company information page

Listing Committee Consideration

- After vetting, the application is presented to the Listing Committee for decision.
- The Listing Committee may approve (with or without conditions), not approve / reject, or otherwise determine the application according to the Listing Rules.

Review of Listing Committee decision

- If the Listing Committee does not approve the application, the applicant/sponsor may request a review under the Listing Rules.
- A first review hearing (and, where available, a second review hearing by the Listing Review Committee) may overturn or uphold the original decision.

Outcome and Status on HKEXnews

Outcome	Approved and proceeds to listing	Rejected / not approved (after any review)	Lapsed or withdrawn
Status	Conditions (if any) are satisfied, prospectus is authorised for registration, and the shares are listed AP/ PHIP and related announcements remain accessible and are linked to the issuer's company information page on HKEXnews	Application becomes inactive and treated as rejected AP/ PHIP marked with "Rejected" status; and "New Listing" information for application ceases to be active No separate 8-week moratorium for rejected applications, any future attempt requires fresh Form A1	Application treated as inactive AP/ PHIP and related materials remain on designated webpage with status marked as "Lapsed" or "Withdrawn", and application removed from list of active new listings No specific moratorium period applies, any future attempt requires fresh Form A1

4. Major Professional Parties Involved

Core Team Roles

Party	Primary Role	Key Deliverables	Appointment
Sponsor	Overall coordination, due diligence, Form A1	Listing application + vetting responses	At least 6 months before Form A1 submission
Lawyers to the Issuer Company	Corporate structure, prospectus drafting	Legal due diligence + issuer sections	Throughout
Lawyers to the Sponsor/ Underwriters	Verification, underwriting agreements	Verification notes + transaction docs	Throughout
Reporting Accountants	Financial due diligence	Accountants' report + comfort letters	Track record period
Overall Coordinators (OC)	Bookbuilding, pricing, allocation	Allocation recommendations	At least 2 months before A1 appoint
Share Registrar	IPO processing, register maintenance	FINI submission, allocation files	Pre-launch to T+2

Extended Team

- Property Valuer, Internal Control Consultant, Independent Industry Consultant
- Underwriters/Bookrunners (manage institutional/retail distribution)
- Receiving Banks (application monies)
- Financial Printer (prospectus production)
- PR/IR Adviser (communications strategy)

5. Bookbuilding & Allocation

Objective of Mandatory OC

Scope of application	▪ IPOs and other share offerings in connection with listings governed by the Main Board and GEM Listing Rules where bookbuilding or placing is conducted; ▪ Secondary offerings of shares of already-listed companies involving bookbuilding; and ▪ Debt offerings where bookbuilding or placing is conducted in Hong Kong
Addressed issues	▪ Unclear division of responsibilities among syndicate members; ▪ Firms joining syndicates late and disrupting the order book and allocation process; and ▪ Misalignment between sponsors'/CMLs' fees and their roles and responsibilities

OC Role and Responsibilities

Appointment	▪ For Main Board IPOs: must appoint independent OC as sponsor at least 2 months before Form A1 listing application ▪ To appoint all OCs no later than 2 weeks after submission of listing application and before conducting any bookbuilding/ placing activities ▪ Must be appointment by written agreement before bookbuilding activities
Role of OC	▪ Defined as syndicate capital market intermediary (CMI) conducting overall management of the offering, coordinating bookbuilding and placing ▪ Advises issuer on offer price ▪ Reallocates shares, exercises overallotment option
Fees	▪ To report to SFC on total fees, split of fixed vs discretionary fees (and basis on allocation)

IPO Allocation & Clawback Arrangements (effective 4 August 2025)

Core Change: Dual Mechanism + Guaranteed Institutional Allocation

- To strengthen institutional price discovery and reduce the risk of overpricing.
- To enhance Hong Kong's competitiveness for international institutional capital.

Minimum institutional allocation:

- Issuers must allocate at least 40% of IPO offer shares to the bookbuilding placing tranche (institutional investors).
- This is down from the originally proposed 50%, but represents a shift from the previous regime with no guaranteed institutional minimum.

Choice of allocation mechanism:

- New listing applicants may choose between Mechanism A (clawback-based) or Mechanism B (fixed allocation, no clawback).
- Note: Specialist Technology Companies (Chapter 18C) must continue to use the existing allocation and clawback mechanism designed for them under Main Board Listing Rule 19C.09, and are not subject to Mechanism A or B.

Mechanism A – Oversubscription Clawback

Initial retail allocation: 5%

Shares are reallocated from the institutional placing tranche to the public subscription (retail) tranche based on oversubscription levels.

Public subscription oversubscription	Total allocation to retail tranche	Clawback amount
< 15x	5% (initial)	None
≥ 15x to < 50x	10%	+5%
≥ 50x to < 100x	20%	+15%
≥ 100x	35% (maximum)	+30%

- If full clawback is triggered (35% to retail), the allocation to cornerstone investors may be scaled back if they initially subscribed for >25% of the offer.
- HKEX may grant *case-by-case waivers* for large offer sizes, following existing guidance.

Comparing the Two Mechanisms

Feature	Mechanism A	Mechanism B
Initial retail allocation	5% (fixed)	10-60% (issuer's choice)
Clawback	Yes, triggered at 15x/ 50x/ 100x oversubscription	None
Maximum retail allocation	35%	60% (set upfront)
Institutional allocation floor	≥40% (after any clawback)	≥40%
Suitability	Issuers expecting strong retail demand/ flexibility	Issuers seeking allocation certainty and stability

Mechanism B – Discretionary Fixed Allocation (No Clawback)

Alternative mechanism: Fixed retail allocation, no reallocation

- Issuers may choose to allocate a fixed percentage (between 10% and 60%) of the offer to the public subscription tranche upfront, with no clawback mechanism.
- Maximum retail allocation under Mechanism B increased to 60% (from the originally proposed 50%).
- Designed for issuers seeking certainty in final allocation and willing to set a higher initial retail portion.

Spread of placees – The Rule

- Placing shares in the institutional (bookbuilding) tranche must be distributed to ensure an adequate spread of holders at listing (Guide for New Listing Applicants, Chapter 4.15, paragraph 3)
- The old formulaic tests (minimum 100 placees; 3 holders per HK\$1M placed) were abolished as of *4 August 2025*
- HKEX may require the applicant and OC to demonstrate that the placing achieves an adequate spread and supports a genuine open market

Three Problems Prevented

- Prevents artificial float — shares placed in a handful of related or inactive accounts does not create a real public market
- Prevents price cornering — concentrated allocation gives a small group undue influence over the post-listing price
- Prevents disguised control — connected persons routing allocation through nominees while nominally complying with public float requirements

Spread of Placees – Mechanism-Specific Rules and Ch.18C

Mechanism A and B: Same Principles Apply

- The "adequate spread" requirement applies to the institutional tranche ($\geq 40\%$ of offer) under **both Mechanism A and Mechanism B**
- Under both mechanisms, the OC must be able to demonstrate to HKEX that the final placee list reflects genuine arm's length distribution; HKEX may query a list it considers concentrated

18C Specialist Technology Companies — Additional Mandatory Layer

- At least 50% of total offer shares (before exercise of over-allotment option) must be allocated to Independent Price Setting Investors (IPSIs)
- IPSIs must be: (i) Institutional Professional Investors, or (ii) other investors with AUM, fund size, or investment portfolio of at least HK\$1 billion, each independently satisfying the same independence requirements
- IPSIs must be genuinely independent from the issuer and from each other — this is a stricter and separately verified requirement on top of the general "adequate spread" test

Cornerstones vs. Ordinary Placees

	Cornerstone Investors	Ordinary Placees
Allocation	Guaranteed, fixed at IPO price	Discretionary upon OC's recommendation
Lock-up	Minimum 6 months post-listing	None
Disclosure	Named in prospectus	Not individually disclosed
Contribution toward 40% institutional floor	Yes	Yes
Clawback risk	Under Mechanism A, may be scaled back if >25% of total offer and full clawback to 35% is triggered (i.e. $\geq 100\times$ retail oversubscription)	Not affected

6. Pricing to Listing

FINI effective November 2023

FINI - Transformed Settlement

- FINI (Fast Interface for New Issuance) is HKEX's mandatory digital platform for all new share listings and subsequent public offerings on the Main Board and GEM
- Launched on 22 November 2023 as part of HKEX's broader paperless listing regime

Core transformation: T+5 → T+2

- FINI shortens the standard IPO settlement cycle from T+5 to T+2 by digitalizing and streamlining post-pricing processes (subscription, allocation, settlement)
- T+3 or longer settlement is possible by exception (requires written application and HKEX approval)

Transition arrangements

- IPOs with prospectus published on or before 22 November 2023 → settle under the legacy T+5 CCASS regime
- IPOs with prospectus published on or after 22 November 2023 → settle on FINI (T+2 basis)

FINI - Streamlined Operations

Central digital hub for IPO settlement

Mandatory online platform for admission to trading and the collection, validation and processing of:
Subscription information (retail and institutional),
Allocation and placee data
and Settlement instructions

End-to-end digital workflow

Replaces bilateral workflows with fully digital interactions between:
Sponsors and OCs,
Legal advisers
Underwriters and distributors,
Share registrars and regulators

Enhanced coordination and transparency

Streamlines the entire IPO settlement process with clear cut-off times, standardized data formats and real-time visibility for regulators and market participants

7. Post-Listing Compliance

Compliance Calendar

Time	Obligation
Day 1- 6 months	✓ Lock-up: Controlling shareholders (cannot sell at all, Main Board LR 10.07) ✓ No further issues of shares (Main Board LR 10.08)
6-12 months	✓ Lock-up: Controlling shareholders (cannot sell below 30% control, Main Board LR 10.07)
Monthly	✓ Public float reporting (Jan 2026 for financial years starting on/after 1 Jan 2026) - confirm compliance with applicable threshold
Quarterly/ Semi-annually	✓ Financial results (Main Board: semi-annual minimum)
Annually	✓ Annual report (within 4 months of FYE) ✓ AGM (within 6 months of FYE) ✓ ESG report ✓ Director confirmations
Ongoing	✓ Inside information disclosure (SFO Part XIVA + Main Board LR 13.09) ✓ Notifiable transactions (Chapter 14) ✓ Connected transactions (Chapter 14A)

Obligations	Details						
Restrictions on the issue of new shares (MB Listing Rule 10.08)	Restricts further issues of shares or securities convertible into equity securities (including agreements to issue) within 6 months of listing. Exception: GEM to Main Board transfers, provided fundraising plans within 6 months are disclosed in listing document (MB Listing Rule 10.08(5))						
Lock-Up for Controlling Shareholders (MB Listing Rule 10.07)	12-month Post-Listing lock up - Any person regarded as a controlling shareholder at the time of listing undertakes: <table border="1"> <thead> <tr> <th>Time</th><th>Restriction</th></tr> </thead> <tbody> <tr> <td>First 6 months after listing</td><td>Not to dispose of his interest in an issuer – cannot sell at all</td></tr> <tr> <td>Second 6 months after listing</td><td>Not to dispose of his interest in an issuer if such disposal would result in him ceasing to be a controlling shareholder – cannot sell if it would go below 30%</td></tr> </tbody> </table>	Time	Restriction	First 6 months after listing	Not to dispose of his interest in an issuer – cannot sell at all	Second 6 months after listing	Not to dispose of his interest in an issuer if such disposal would result in him ceasing to be a controlling shareholder – cannot sell if it would go below 30%
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Obligations	Details
Public float	Maintain the applicable minimum public float at all times and comply with new monthly reporting requirements
Financial Disclosure	Disclosure financial information including annual, interim reports and (if applicable) quarterly or other periodic results and reports
AGMs and board meetings	An AGM must generally be held within 6 months after the financial year end and board meetings held according to the company's Articles
Change-related Disclosure	Inform the SEHK for any proposed changes of the Company's Articles of Association, changes in directorate or supervisory committee, change in the rights attaching to any class of listed securities, change in its auditors or financial year and change in its secretary or registered address
Directors' dealings and related disclosures	Disclosure of directors' dealings, service contracts, independence and contact information, ensure timely disclosure of such

Obligations	Details
Insider/ price-sensitive information	• Must disclose inside information “as soon as reasonably practicable” under Part XIVA of the SFO, and comply with LR 13.09 to avoid a false market.
Connected and Notifiable transactions	• Submission of announcements, circulars or other documents for publication, with pre-vetting for specific transactions (e.g. certain notifiable or connected transactions)

Consequences of Non-Compliance

1. Exchange Disciplinary Sanctions (Listing Rules)

If a listed issuer or its directors breach the Listing Rules (e.g. inadequate disclosure, connected transactions, governance failures)

- Issue a private reprimand or public censure
- Publication of “Prejudice to Investors’ Interests” statement/ director unsuitability statement
- Suspension of trading in the issuers’ securities and in serious or persistent cases cancel listing (MB Listing Rules 6.01A)

2. SFC/ Market Misconduct Tribunal (civil and regulatory)

Certain non-compliances (e.g. false or misleading disclosure, serious governance failures) can lead to SFC action and Market Misconduct Tribunal (MMT) sanctions

- Fine up to HK\$8 million per person in a Tribunal proceedings
- Director disqualification (up to 5 years)
- Cold shoulder order (up to 5 years)

3. Criminal and Statutory Liability

Serious disclosure failures can constitute criminal offences

- Criminal offence to intentionally or recklessly provide false or misleading information in a material particular in documents filed with the HKEX or SFC (s.384 SFO)
- Civil and criminal liability for untrue statements in a prospectus (s.40 and 40A CWUMPO)

Connected Transactions

Classification of Connected Transactions

According to the Listing Rules of the Stock Exchange, connected transactions can be classified into fully exempt connected transactions, partially exempt connected transactions and non-exempt connected transactions.

Exempted connected transactions

(entirely exempt from announcement, reporting and independent shareholders' approval, only require execution of a written agreement)

Partially exempted connected transactions

(still require reporting/ announcement and annual review for continuing transactions, but exempted from independent shareholders' approval if fall below de-minimis threshold)

Non-exempt connected transactions

(must fully comply with Chapter 14A, including announcement, circular, independent financial adviser opinion and independent shareholders' approval)

(1) Fully Exempted Connected Transactions

Transaction	Details
Intra-group transactions	Transactions between a listed issuer and its wholly-owned subsidiaries, or between those subsidiaries; and certain intra-group transactions involving non-wholly-owned subsidiaries, where the relevant conditions are met (e.g. passive investor, insignificant subsidiary)
De minimis exemption	Transactions on normal commercial terms (other than an issue of new securities by the issuer) are wholly exempt from all CT requirements if each of the percentage ratios (except profits) is: • less than 0.1%; or • less than 1% and the only reason it is a CT is because the counterparty is a connected person at subsidiary level; or • less than 5% and the total consideration is < HK\$3 million.
Share repurchases	On the Exchange or under a general offer in compliance with the Share Buy-backs Code
Consumer goods / services	Purchase or sale of consumer goods or services on normal commercial terms in the issuer's ordinary and usual course of business
Financial assistance exemptions	Where the issuer (or connected person) provides or receives financial assistance on normal commercial terms, within the Rule 14A.87–14A.90 thresholds (e.g. ratios <0.1/1/5% and total value <HK\$3m)

(2) Partially Exempted Connected Transactions

Transaction	Details
De minimis	For a connected transaction (other than an issue of new securities by the issuer) on normal commercial terms: • all percentage ratios (except profits) are < 5%; or • all percentage ratios are < 25% and the total consideration is < HK\$10 million
Continuing connected transactions	Tested on an annual basis for the annual cap: • annual percentage ratios < 5%; or • annual percentage ratios < 25% and annual cap < HK\$10 million
Financial assistance	Where the ratios are below the 5% / HK\$10m thresholds and the assistance is on normal commercial terms
Connected persons at subsidiary level	Transactions with persons connected only at the subsidiary level are exempt from shareholders' approval if: • on normal commercial terms or better; • approved by the board; and • INEDs confirm fairness and that they are in the interests of the issuer and shareholders as a whole

Other Types of Connected Transactions

(3) Non-exempt connected transactions

Unless fully exempted, partially exempted or granted a waiver at the discretion of the Stock Exchange, all other connected transactions are non-exempt connected transactions.

(4) Discretion of the Stock Exchange

The Stock Exchange has discretion to grant connected transactions full or partial exemption on a case-by-case basis.

For example, the Stock Exchange granted a permanent exemption to China Tobacco's (06055.HK) trademark licensing and property leasing connected transactions.

Practical Guidelines

Review during track record period: The Stock Exchange would typically consider whether past connected transactions conferred benefit on connected persons at the expense of the listing applicant. For example, carve out of a loss-making connected company prior to listing.

Focus of pricing review: The key focus of the Stock Exchange's review of connected transactions is whether the terms (including price) are fair and reasonable and on normal commercial terms, typically assessed by making reference to comparable pricing data provided by independent third parties and market data.

Consequences of breaches: If a listed issuer violates the connected transaction related requirements under the Listing Rules, the Stock Exchange would impose disciplinary sanctions on the listed company and its relevant directors, ranging from private reprimand, public censure or statement of criticism, public reprimand, reporting of violations to the regulatory authorities, suspension or delisting of the company.

8. Other Common Issues & Practical Solutions

Administrative Penalties (PRC Issuers)

Problem: Penalties during track record period raise suitability concerns

HKEX Assessment Factors:

- Nature of violation (serious vs technical)
- Whether deliberate or negligent
- Remediation taken
- Impact on business operations

Solution Approach:

- **Full disclosure** in prospectus (nature, amount, consequence)
- **Remediation evidence** (policy changes, enhanced internal controls)
- **Government confirmation letter** (GL68-13 approach) confirming compliance status
- **Legal opinion** on whether violation affects suitability

Environmental Compliance

HKEX Requirements (GL68-13 + Appendix 27 - ESG Guide):

- Disclose environmental responsibilities under applicable laws
- Annual compliance costs during track record + future estimated costs

Due Diligence Checklist:

- ✓ Environmental monitoring reports (≥ 3 years)
- ✓ Discharge permits, fee payment records
- ✓ Environmental Impact Assessment (EIA) documents
- ✓ "Three-simultaneous" compliance (design, construction, operation)
- ✓ Environmental acceptance approvals
- ✓ Testing reports (wastewater, waste gas, noise vs standards)
- ✓ Written confirmation from environmental authorities
- ✓ Details of any penalties + rectification + policy enhancements

9. Recent Regulatory Developments

Timeline of Major Regime Reforms (2022-2026)

Implemented

- Aug 2022: New bookbuilding conduct rules (OC role, fee transparency)
- Mar 2023: Specialist Technology Company regime (Chapter 18C)
- Nov 2023: FINI launch (T+2 IPO settlement)
- Dec 2023: Paperless regime (mandatory e-dissemination)
- October 2024: Enhanced Timeframe for New Listing Application Process
- May 2025: Dedicated technology enterprises channel (TECH)
- Aug 2025: New allocation mechanisms A & B
- Jan 2026: New public float rules (monthly reporting); Sponsor Work – Key Regulatory Concerns & Enhanced Standards
- July 2026: WVR Threshold Reduction; Secondary Listing Threshold Reduction; Confidential Filing Expansion

In Progress

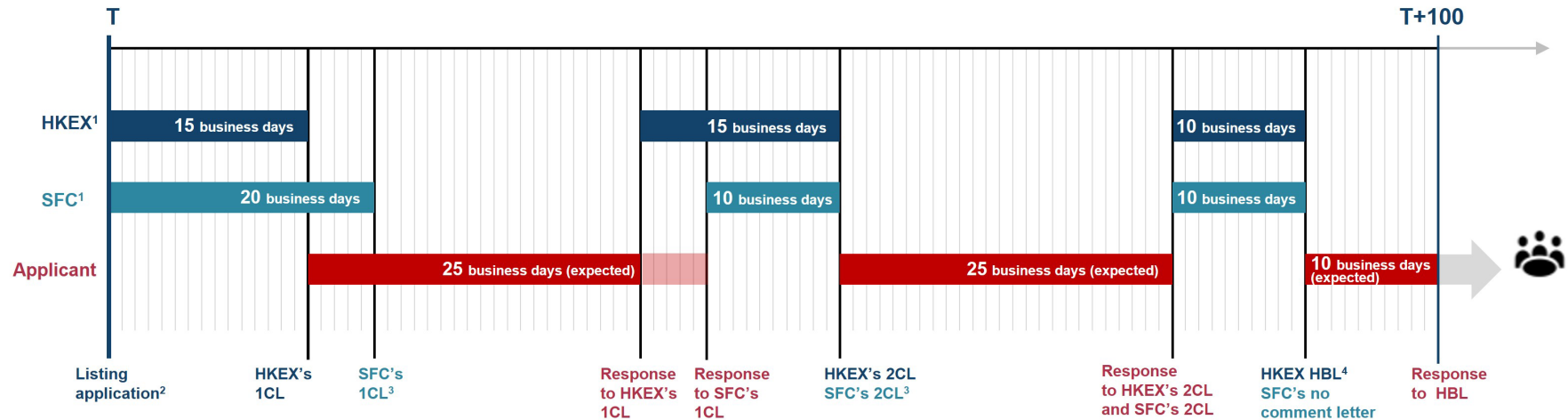
- Q4 2026: HKEX Issuer Access Platform (IAP) launch

Enhanced Timeframe for New Listing Application Process

- Announced jointly by SFC and HKEX on 18 October 2024 and applicable to all new listing applications filed after that date
- To provide greater clarity, certainty and efficiency in the application vetting process

<u>Standard Enhanced Timeframe</u> (meeting all applicable SFO, SMLR and Listing Rule requirements)	• SFC and Exchange will complete their assessment within maximum <u>two rounds of regulatory comments</u> • Each regulator commits to completing their review of any material regulatory concerns <u>within 40 business days</u> (excluding applicant response time) • Applicants expected to address comments <u>within approximately 60 business days total</u> → Full process designed to be completed <u>within the six-month application validity window</u>
<u>Accelerated Timeframe for Eligible A-Share Issuers</u> (with expected market cap ≥HK\$10 billion & compliance with A-share listing laws for the 2 full financial years immediately preceding application)	• Regulators' assessment completed after <u>one round of regulatory comments only</u> • Each regulator commits to completing review <u>no more than 30 business days</u> (vs. 40 days for standard track) *Revert to standard process if material regulatory concerns identified

An illustration of the Enhanced Application Timeframe



1. The business days taken for each round of comments may be subject to slight adjustments, but overall it is expected that the time taken by each regulator will be no more than 40 business days.
2. It refers to the acknowledgement of listing application.
3. If the SFC shares the same regulatory concerns as those included in the Exchange's comment letters, it will issue a letter via the Exchange to notify the applicant through its sponsor, which will be counted as one round of comments from the SFC.
4. Upon confirmation of no material regulatory concerns, the Exchange will issue a Hearing Bundle Letter (HBL) setting out the matters to be dealt with or addressed by the applicants and their sponsors to finalise the disclosure in the listing document. When the applicants and their sponsors have a listing document that is ready for Listing Committee Hearing, and having obtained all requisite approvals from other authorities or regulators, where applicable, the application will proceed to the Listing Committee Hearing.

Dedicated technology enterprise channel (TECH)

Rationale – Launched in May 2025 to give Chapter 18C specialist tech and 18A biotech applicants a tailored pathway, recognising their pre-revenue, high-R&D profiles and more complex eligibility issues.

How TECH works – A dedicated HKEX team handles pre-application meetings and written enquiries, helping issuers and sponsors test case-specific eligibility, “innovative/specialist tech” status, Core Product and development-stage criteria, and sophisticated-investor requirements *before* a formal A1 filing.

Key benefits – Reduces execution risk and avoidable returns, shortens time-to-listing by resolving issues upfront, supports potential WVR eligibility for qualifying 18C/18A issuers, and strengthens Hong Kong’s appeal as a listing venue for high-growth technology and biotech companies.

Ongoing Public Float Requirements – Core Changes

1. Dual-threshold framework (Main Board & GEM)

- Initial Prescribed Threshold (unchanged): $\geq 25\%$ public float (or lower percentage prescribed at listing).
- New Alternative Threshold (optional): $\geq 10\%$ public float + 125 trading-day average market value $\geq$ HK\$1 billion.
 - Available after 125 trading days from listing; issuer may switch between thresholds (with announcement).

2. Bespoke test for A+H issuers and HK-PRC cross-listed issuers (replaces old group-wide 25% test)

- H shares held by public must have market value $\geq$ HK\$1 billion or represent $\geq 5\%$ of the H-share (or relevant HK listed) class (replaces old group-wide 25% test); meeting either one is OK.

3. Market value calculation (rolling basis)

- Volume-weighted average price over the preceding 125 trading days $\times$ public float shares on the relevant date (moderates short-term volatility).

Ongoing Public Float Requirements – Enhanced Disclosure

Monthly & Annual Reporting (New)

Monthly returns (from Jan 2026):

- Confirm compliance with applicable threshold.
- Disclose minimum public float % (if using Initial Prescribed Threshold).
- Disclose actual public float % + market value (if using market-value-based threshold).

Annual reports (FY starting on/after 1 Jan 2026):

- Confirm compliance; disclose minimum and actual public float %.
- Commentary on material changes during the year.
- For market-value users: month-end public float market value and % for each month relying on market-value test.

	All issuers	PRC issuers with other listed shares
Ongoing public float thresholds	Initial Prescribed Threshold: All issuers must maintain, at all times, a public float of at least (a) 25% of the total number of issued shares in the class of shares listed on the Exchange (excluding treasury shares); or (b) any lower minimum percentage as prescribed at the time of listing. Optional Alternative Threshold: A portion of the class of shares an issuer has listed on the Exchange that is held by the public must, at all times: (a) have a market value of at least HK\$1 billion; and (b) represent at least 10% of the issuer's total number of issued shares in the class of shares listed (excluding treasury shares)	Bespoke ongoing public float requirement: The PRC issuer's H shares listed on the Exchange and held by the public must, at all times: (a) have a market value of at least HK\$1 billion; or (b) represent at least 5% of the total number of issued shares in the class to which H shares belong (excluding treasury shares).
Regular public float reporting	Required to confirm public float sufficiency in monthly returns and annual reports	

Ongoing Public Float Requirements – Public Float Shortfall: Tiered Consequences

“Significant Public Float Shortfall” triggered, unless HK public float meets any of the following:

- at least 15% of issued shares (or 50% of Initial Prescribed Threshold if lower than 25%); **or**
- at least HK\$500 million market value **+** at least 5% of issued shares

For PRC+H share issuers: H shares market value at least HK\$500m or at least 5% public H-share class by number.

Consequences:

- discretion to suspend or cancel listing at any time if public float insufficient + monthly announcements; warning statements on all documents; stock marker "-PF"
- Delisting if not remedied within 18 months (Main Board) / 12 months (GEM)
- Issuer/directors must not take action that further reduces float (except in exceptional circumstances)
- HKEX retains discretion

Timing relief: HKEX may grant waiver following completion of general offer under Takeovers Code (discretionary)

Paperless Regime

HKEX launched a comprehensive paperless listing regime to modernize Hong Kong's capital markets through two major pillars:

- Electronic dissemination of corporate communications (effective 31 December 2023)
- FINI digital IPO settlement platform (effective 22 November 2023)



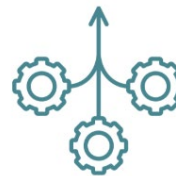
**Mandatory electronic
dissemination of
corporate communications**



**Streamlining document
submission**



**Simplifying prospectus
registration**



**Simplifying Appendices to
the Listing Rules**

Sponsor Work – Key Regulatory Concerns & Enhanced Standards

- Issued 30 January 2026 amid surge in new listing applications (460+ applications in 2025, 420+ active pipeline as at 29 January 2026)
- SFC and SEHK observed declining quality of draft listing documents and substandard sponsor conduct

Key Regulatory Concerns

1. Deficiencies in Listing Document Preparation – Serious deficiencies in listing documents, inadequate responses to regulatory comments, process-driven (not substantive) approach to due diligence
2. Over-Reliance on Third Parties – Excessive reliance on experts (legal advisers, accountants, valuers) without adequate assessment of their competency and resources
3. Insufficient Transaction Team Capacity – Principals and transaction teams simultaneously supervising/participating in excessive active listing engagements)
4. Unqualified Principal Appointments – Incomplete submissions, lack of concrete supporting documents, attempts to recycle experience from same IPO transactions
5. Insufficient Staff Competence – Transaction Team members lacking adequate knowledge, skills, and experience across all levels (not just Principals)

Enhanced Standards

- **Principal Capacity Threshold**

A Principal supervising or participating in ≥ 6 active listing engagements will, absent exceptional circumstances, be deemed to have insufficient capacity. Sponsors must proactively monitor and manage Principal workloads.

- **Page Limit Guidance for Listing Documents**

The main body of listing documents must not exceed 300 pages, excluding appendices with expert reports and statutory disclosures. Unreasonably lengthy documents may result in suspension of the vetting process.

- **Enhanced Examination and Qualification Requirements**

All individuals engaging in IPO sponsor work must pass HKSI LE Papers 1 and 16 within three (3) years prior to first engagement — replacing the previous standard (Paper 16 only; passable up to six months *after* engagement). Non-compliant individuals must be removed from Transaction Teams immediately.

Reporting Requirements

1. Mandatory Reporting Obligations (All Sponsors)

Deadline	Requirement
6 February 2026 (within 1 week)	Submit list of individuals engaged in IPO sponsor work without required HKSI LE Paper 16 qualification
13 February 2026 (within 2 weeks)	Report names and number of appointed Principals AND number of active listing engagements per Principal
Immediate	Remove individuals who breached examination requirements from Transaction Teams

2. Internal Review (Targeted Sponsors)

- **Party:** Concerned Sponsors (13 sponsors identified in December 2025 Joint Letter) + Sponsors with Strained Principal(s) (any Principal handling ≥ 6 active engagements)
- **Deadline:** 30 April 2026 (within 3 months)
- **Required Actions:** Complete comprehensive retrospective review of cited concerns; Document accountability measures (case-by-case basis); Submit rectification and resource plan demonstrating compliance with engagement threshold; Identify key group personnel responsible for oversight (if group structure); and All reviews signed off by Managers-In-Charge of Overall Management Oversight (OMOs)

Supervisory & Enforcement Actions

- On-site thematic inspections expected for Concerned Sponsors and Sponsors with Strained Principal(s)
- Licence conditions may be imposed to restrict business scope and number of active engagements per Principal/ Responsible Officer/ Licensed Representative
- Investigation and/or disciplinary action may be commenced against Sponsors, Principals, and Management in serious cases
- Suspension of vetting process for unreasonably lengthy documents or materially incomplete/unsatisfactory responses; 16 applications suspended as at 31 December 2025

Issuer Access Platform

HKEX Issuer Access Platform (IAP) – Expected Official Launch Q4 2026

Following the launch of e-dissemination (31 Dec 2023) and FINI (22 Nov 2023), HKEX has been introducing the Issuer Access Platform (IAP), with trial version in operation since late-2025 and official launch expected in Q4 2026 as the primary digital interface for ongoing engagement between listed issuers and HKEX, effectively improving market accessibility.

Core Functions	Details
Seamless two-way communication	• Central platform for all post-listing interactions between HKEX and listed issuers (replacing emails, letters and ad-hoc submissions). • Real-time messaging, document exchange and regulatory queries handled via a single portal.
Smart compliance tools	• Dashboard view of upcoming deadlines, outstanding obligations and submission status. • Workflow trackers with step-by-step guidance on announcements, circulars, notifiable and connected transactions. • Guides and templates that provide embedded help content and smart forms to reduce errors and improve disclosure quality.

Introduction to Listing on the Main Board of The Stock Exchange of Hong Kong Limited

For further enquiry, please contact: JML (www.jmaklegal.com)

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