

Frequently asked question on conversion of PRC issuers' unlisted shares into H shares for listing on the Exchange

Release Date	Main Board Rules	GEM Rules	FAQ No.	Query	Responses
29/12/2023	2.03, 2.13, 13.09	2.06, 17.10, 17.56	137-2023	For a listed issuer incorporated in the PRC, under what circumstances can its unlisted shares be converted into H shares for listing on the Exchange?	<p>The conversion of unlisted shares into H shares is governed by the PRC regulations and the PRC issuer's articles of association. Where the PRC issuer proposes to convert all or part of its unlisted shares held by domestic/foreign shareholders into H shares, it should ensure that the conversion process is clearly disclosed and explained to the public. This would include, among others, the filing and approval requirements of the relevant PRC regulatory authorities and any requisite internal approval process under its articles of association.</p> <p>The PRC issuer must seek the Exchange's approval for the listing of such H shares before conversion. In general, the Exchange would approve the issuer's listing application, subject to its compliance with the relevant requirements under the PRC regulations and its articles of association.</p> <p>The PRC issuer should announce the effective date of the conversion after receiving all necessary approvals and filing notification and disclose the changes in its unlisted shares and H shares in issue as a result of the conversion in its next day disclosure return and monthly return.</p>