



香港交易所

香港聯合交易所有限公司

(香港交易及結算所有限公司全資附屬公司)

THE STOCK EXCHANGE OF HONG KONG LIMITED

(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

Our Ref: CRO20171215-052

15 December 2017

To: Main Board Listed Issuers (Attn.: Authorised Representatives)
GEM Listed Issuers (Attn.: Authorised Representatives)
Market Practitioners

Dear Sirs or Madam

Consultation Conclusions on the Review of the Growth Enterprise Market (GEM) and Changes to the GEM and Main Board Listing Rules

We have today published the consultation conclusions on the Consultation Paper on the Review of the Growth Enterprise Market (GEM) and Changes to the GEM and Main Board Listing Rules ("**Consultation Paper**").

We published the Consultation Paper in June 2017 to seek comments on our proposed reform to GEM and proposed amendments to the Main Board and GEM Listing Rules ("**Listing Rules**"). The consultation responses were broadly in favour of the consultation proposals.

The key changes to the Listing Rules include:

- the removal of the streamlined process for GEM transfers to the Main Board;
- the introduction of a mandatory sponsor requirement for transfer of listing from GEM to the Main Board, and a sponsor must be appointed at least two months before the submission of a listing application;
- an increase in the minimum expected market capitalisation of a GEM applicant at the time of listing from \$100 million to \$150 million and a corresponding increase in the minimum public float value at the time of listing from \$30 million to \$45 million;
- an increase in the minimum expected market capitalisation of a Main Board applicant at the time of listing from \$200 million to \$500 million and a corresponding increase in the minimum public float value at the time of listing from \$50 million to \$125 million;
- an increase in the minimum cash flow requirement for a GEM applicant from \$20 million to \$30 million;
- the introduction of a mandatory public offering requirement of at least 10% of the total offer size for all GEM initial public offerings;

- an extension of the post-IPO lock-up requirement on controlling shareholders of GEM applicants from one year to two years while there will be no change to the post-IPO lock-up requirement for the Main Board applicants; and
- change the names “Growth Enterprise Market” and 「創業板」 to “GEM” ” to reflect the new role of GEM as a market for small and mid-sized companies.

The amendments will come into effect on 15 February 2018.

The Consultation Conclusions and copies of submissions are available on the HKEX website at:

[http://www.hkex.com.hk/-/media/HKEX-Market/News/Market-Consultations/2016-Present/June-2017-Consultation-Paper-on-Review-of-the-Growth-Enterprise-Market/Conclusions-\(December-2017\)/cp2017062cc.pdf](http://www.hkex.com.hk/-/media/HKEX-Market/News/Market-Consultations/2016-Present/June-2017-Consultation-Paper-on-Review-of-the-Growth-Enterprise-Market/Conclusions-(December-2017)/cp2017062cc.pdf)

http://www.hkex.com.hk/News/Market-Consultations/2016-to-Present/Responses_December_2017?sc_lang=en

The amendments to the Listing Rules are available at:

http://en-rules.hkex.com.hk/en/display/display_main.html?rbid=4476&element_id=49
(Update No. 54)

http://en-rules.hkex.com.hk/en/display/display_main.html?rbid=4476&element_id=2
(Update No. 118)

The Frequently Asked Questions are available at:

http://en-rules.hkex.com.hk/en/display/display.html?rbid=4476&element_id=5074

The amendments to Guidance Letter HKEX-GL55-13 (for pre-release) are available at:

[http://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Interpretation-and-Guidance/Guidance-Letters/gl55_13\(20180215\).pdf](http://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Interpretation-and-Guidance/Guidance-Letters/gl55_13(20180215).pdf)

The revised IPO checklists (for pre-release) are available at:

http://www.hkex.com.hk/Listing/Rules-and-Guidance/Forms/New-Applicants/Checklists-and-forms-for-applications-after-20180215?sc_lang=en

Yours faithfully,
For and on behalf of
The Stock Exchange of Hong Kong Limited

[Signed]

David Graham
Chief Regulatory Officer and Head of Listing