

HKEX GUIDANCE LETTER

HKEX-GL111-22 (January 2022)

Subject	Guidance for Overseas Issuers
Listing Rules and Regulations	Main Board Rule Chapters 19, 19B and 19C GEM Rule Chapter 24
Related Publications	<ul style="list-style-type: none">• HKEX-GL39-12 - Hong Kong Depositary Receipts (“DR”) – Pre-Release and Pre-Cancellation• HKEX-GL53-13 - Liquidity arrangements for issuers seeking to list by introduction where the securities to be listed are already listed on another stock exchange• Country Guides¹
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Important note: *This letter does not override the Listing Rules and is not a substitute for advice from qualified professional advisers. If there is any conflict or inconsistency between this letter and the Listing Rules, the Listing Rules prevail. You may consult the Listing Division on a confidential basis for an interpretation of the Listing Rules or this letter.*

I. Purpose

1. This letter sets out guidance for overseas issuers² contemplating a listing on the Exchange.
2. Our guidance in this letter is divided into the following sections:
 - A. General
 - B. Core Shareholder Protection Standards
 - C. Eligibility of Securities and Admission of Securities into CCASS

¹ From 2021 no new Country Guides are published.

² “Overseas issuers” has the same meaning as defined in Chapter 1 of the Main Board Listing Rules and GEM Listing Rules.

- D. Cross-border Clearing and Settlement
 - E. HDRs
 - F. Financial Reporting Standards and Auditing Standards
 - G. Taxation
 - H. “Domestic Issuers” under Regulation S, the United States Securities Act of 1933
 - I. Stock Name Identification
3. Overseas issuers may also refer to the “Listing of Overseas Companies” webpage on the Exchange’s website for further information.

II. Guidance

A. General

4. Overseas issuers may face practical or operational difficulties complying with the Listing Rules or The Codes on Takeovers and Mergers and Share Buy-backs (the “**Codes**”) where there is a potential conflict between the laws and regulations of its home jurisdiction and the Listing Rules or the Codes.
5. Below are some examples of foreign laws and regulations that may cause compliance difficulties with the Listing Rules or the Codes:
- (a) those that prohibit a company from restraining or restricting its shareholders from voting on any particular resolution, including shareholders with a material interest in the transaction or arrangement being voted upon;
 - (b) those that require a management or supervisory body of a company to approve matters that under the Listing Rules require shareholders’ approval;
 - (c) those that require a company to employ a board of statutory auditors, instead of establishing a board committee to oversee accountability and audit related matters. A board of statutory auditors may play a similar role to audit committees under the Listing Rules and may have broader oversight responsibilities and greater independence; and
 - (d) those that do not recognise a nominee company holding securities on behalf of third parties, such as HKSCC Nominees Limited (“**HKSCCN**”) that holds listed securities on behalf of Central Clearing and Settlement System (“**CCASS**”) participants.

6. We allow an overseas issuer to use a variety of methods to comply with the Listing Rules and the Codes, including providing undertakings to the Exchange to put in place a shareholder protection measure or by demonstrating it has adopted internal compliance measures that achieve the same outcome.
7. Companies are strongly encouraged to consult the Exchange and the Takeovers Executive³ (where applicable) at the earliest opportunity.

B. Core Shareholder Protection Standards

8. Appendix 3 to both the Main Board Listing Rules and GEM Listing Rules requires an issuer to demonstrate how the domestic laws, rules and regulations to which it is subject and its constitutional documents, in combination (“**Domestic Standards**”), provide the shareholder protection standards set out in the appendix (“**Core Shareholder Protection Standards**”). For this purpose, the Exchange may require an overseas issuer to amend its constitutional documents to provide the Core Shareholder Protection Standards.
9. Each overseas issuer should, at the time of submitting its listing application to the Exchange, confirm to the Exchange that it conforms with the Core Shareholder Protection Standards and requirements set out in this guidance letter with an appropriate legal opinion.
10. Where there is any shortfall in compliance with those requirements as identified by legal advisers of an overseas issuer, or where an overseas issuer is from a jurisdiction where securities of companies incorporated therein have not been previously admitted into CCASS for trading on the Exchange, such overseas issuer should complete the checklist “Information Required from Overseas Issuers” set out on the Exchange’s website (see **Appendix I** ([link](#))) and submit it to the Exchange.⁴ Where the checklist referred to in Appendix I is required to be completed, the overseas issuer may only submit its listing application after the Exchange and the SFC have confirmed they have no further comment on the level of shareholder protection standards in its jurisdiction of incorporation, subject to measures to address any differences between the Domestic Standards and the Core Shareholder Protection Standards, where applicable.
11. Prior to 2021, the Exchange had published Country Guides on various jurisdictions to provide specific guidance for overseas issuers incorporated in those jurisdictions on the relevant comparison between

³ The Takeovers Executive refers to the Executive Director of the Corporate Finance Division or any delegate of the Executive Director of the Securities and Futures Commission (“**SFC**”).

⁴ The Exchange reserves the right to require any overseas issuer to complete and submit the checklist where it considers necessary.

the Domestic Standards and the Core Shareholder Protection Standards, as well as the Exchange's expectations, practices, procedures and the criteria it considers when applying the Listing Rules to overseas issuers incorporated in such jurisdictions. Please refer to **Appendix II** for links to the respective Country Guides or guidance. From 2021, no new Country Guides will be published. In line with established practice, guidance may be issued on a case-by-case basis if there are novel issues relating to the listing of securities (including securities of companies incorporated in a jurisdiction not covered by any guidance materials, including the Country Guides) by way of listing decisions.

12. With regard to matters not covered by any Core Shareholder Protection Standard or Listing Rule, reliance will be placed on a combination of the overseas laws and regulations to which the overseas issuers are subject and their constitutional documents.
13. Overseas issuers are reminded that they are required under the Listing Rules to ensure all information provided to the Exchange must be accurate and complete in all material respects. They should notify the Exchange of any material matters that may assist the Exchange's consideration of its listing application. The Exchange reserves the right to reject an overseas issuer on suitability grounds where the issuer fails to address any material issue⁵.
14. Listed overseas issuers should monitor their on-going compliance with the Core Shareholder Protection Standards. They must, at the earliest opportunity, inform the Exchange of any material changes in the overseas laws, rules and market practices described in the relevant guidance (if any) that would, or may, adversely affect their compliance with the Core Shareholder Protection Standards and other Listing Rules. Listing applicants incorporated in the relevant overseas jurisdictions must inform the Exchange of any changes in the laws, rules and market practices described in any guidance published by the Exchange as part of their listing applications. Where applicable, the Exchange will make necessary updates to the Country Guide or guidance on the relevant jurisdictions.
15. Each overseas issuer applying to list in Hong Kong, regardless of whether or not it is from a jurisdiction where securities of companies incorporated therein have been previously admitted into CCASS for trading on the Exchange, is also required to:
 - (a) provide relevant and adequate disclosure in its listing document on the major differences between Domestic Standards and the Core Shareholder Protection Standards and details of any measures that have been or will be put in place to address the differences; and
 - (b) explain and disclose in the listing document the risk that the extent

⁵ See MB Listing Rules 9.11(3a) and paragraph 1(b) of Appendix 17 to the MB Listing Rules; GEM Listing Rules 12.23(2a) and paragraph 1(b) of Appendix 7K to the GEM Listing Rules

to which Hong Kong courts may be used as an avenue for aggrieved shareholders of non-Hong Kong issuers is subject to certain limitations concerning, for example, enforcement of a Hong Kong judgment against the overseas assets, operations and/or directors of a non-Hong Kong issuer listed on the Exchange and enforcement of an overseas judgment in Hong Kong courts.

C. Eligibility of Securities and Admission of Securities into CCASS

16. Hong Kong Securities Clearing Company Limited (“HKSCC”) is a recognised clearing house under the Securities and Futures Ordinance. It operates the CCASS which provides deposit, clearance and settlement services to participants of CCASS subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.
17. All listing applicants must make arrangements with HKSCC to ensure their securities are accepted as eligible for deposit, clearance and settlement in CCASS in accordance with the General Rules of CCASS.⁶ An overseas issuer (except for those incorporated in Bermuda and the Cayman Islands) is to complete the “CCASS Admission Form”⁷ set out on the Exchange’s website (https://www.hkex.com.hk/Services/Settlement-and-Depository/Securities-Admission-into-CCASS?sc_lang=en%20), irrespective of whether the securities of companies incorporated in its jurisdiction of incorporation have been previously admitted into CCASS for trading on the Exchange, and submit it to the Exchange together with the document stated in paragraph 9 above and the listing application (for overseas issuers from a jurisdiction previously admitted into CCASS for trading on the Exchange), or as the case maybe, together with the document stated in paragraph 10 above prior to submitting the listing application (for overseas issuers from a jurisdiction where securities of companies incorporated therein have not been previously admitted into CCASS for trading on the Exchange).
18. An overseas issuer is encouraged to notify the Exchange at an early stage of the nature of the securities it plans to issue and list, particularly as to:
 - (a) the form of its securities, whether:
 - (i) physical scrip; or

⁶ MB Listing Rule 8.13A; GEM Rule 11.29.

⁷ For an overseas issuer from a jurisdiction where securities of companies incorporated therein have not been previously admitted into CCASS for trading on the Exchange, a copy of the CCASS Admission Form can be obtained at this [link](#). For an overseas issuer (except for those incorporated in Bermuda and the Cayman Islands) from a jurisdiction previously admitted into CCASS for trading on the Exchange, a copy of the CCASS Admission Form can be obtained at this [link](#). For overseas issuers seeking to list depository receipts in Hong Kong, they are required to submit a CCASS Admission Form as well, a copy of which can be obtained at this [link](#).

- (ii) scripless/book entry;
 - (b) if physical scrip is issued, whether:
 - (i) it will be in definitive or global form; and
 - (ii) the certificate will be in registered or bearer form;
 - (c) if the securities are to be issued in scripless form, the applicant must inform the Exchange of the holding structure of the securities with details of:
 - (i) how Hong Kong investors (through HKSCCN) will hold the securities;
 - (ii) the financial intermediaries or depositories holding the securities on behalf of Hong Kong investors, in particular their roles and responsibilities under the relevant overseas jurisdiction's rules and regulations; and
 - (iii) who will be recognised as the legal owners of the securities in the applicant's place of incorporation;⁸
 - (d) how its branch register of members in Hong Kong will be maintained and when the register will be open for inspection by members;⁹
 - (e) where physical scrip of the securities is to be issued, procedures to replace lost certificates and whether there will be any restrictions on holding or transfer of the new certificates; and
 - (f) whether there will be any restrictions on Hong Kong investors' right to attend the applicant's general meetings to vote and/or to appoint proxies.
19. Please refer to the Exchange website (see [link](#)) for further information in relation to admission of securities into CCASS.

D. Cross-border Clearing and Settlement

20. The Hong Kong securities market adopts a T+2 settlement period in the post-IPO market. This means that executed trades are settled in CCASS two business days after the trade day.
21. Dual-primary or secondary listed companies normally have their principal share registers in their overseas markets and a branch register in Hong Kong. To ensure liquidity in the Hong Kong registered shares, dual-

⁸ The need for these notifications will be reviewed upon the implementation of an uncertificated securities market in Hong Kong. The consultation conclusions for this regime was published on 8 April 2020 (see [link](#)).

⁹ The overseas issuer must also inform members of the conditions for inspection.

primary or secondary listed companies must ensure there are a sufficient number of registered shares on their Hong Kong share registers.

22. A dual-primary or secondary listed company that does not conduct a public offering is expected to transfer a sufficient number of shares to its Hong Kong share register from its overseas share register before listing. The estimate of “sufficient number of shares” should be based on the historical trading statistics of the issuer’s securities in its overseas market and the expected increase in trading upon listing in Hong Kong. This can be arranged by the appointed share registrar(s) cancelling and re-issuing share certificates¹⁰ in the issuer’s respective markets.
23. An overseas issuer that has a listing on the Exchange and another exchange must adopt precautionary measures to mitigate price volatility of its shares upon listing and the demand/supply imbalances between its overseas market and Hong Kong to ensure sufficient liquidity. The precautionary measures must take into account the issuer’s shareholding structure and availability of arbitrage opportunities between Hong Kong and the other market where it is listed. Overseas issuers may refer to our Guidance Letter GL53-13 on some precautionary measures for overseas companies listed in Hong Kong by way of introduction.¹¹

E. HDRs

24. HDRs can be held by Hong Kong investors in substantially the same way as shares. They are issued by a financial institution acting as a depository and represent a particular ratio to a company’s shares.
25. Overseas issuers facing operational and legal difficulties in listing their shares in Hong Kong may wish to consider listing HDRs. For example where:
 - (a) regulations in a jurisdiction prevent or discourage the overseas listing of shares; or
 - (b) foreign laws of registration and/or ownership are not compatible with those in Hong Kong.
26. The Exchange has published (a) further information on the HDR Framework section of the Exchange website; and (b) Guidance Letter HKEX-GL39-12 on the benefits of HDRs.¹²

F. Financial Reporting Standards and Auditing Standards

¹⁰ Unless where the securities are issued in scripless form.

¹¹ <http://www.hkex.com.hk/eng/rulesreg/listrules/listguid/iporg/Documents/gl53-13.pdf>.

¹² <http://www.hkex.com.hk/eng/rulesreg/listrules/listguid/iporg/Documents/gl39-12.pdf>.

Financial Reporting Standards

27. The Listing Rules state that the annual financial statements¹³ and the accountants' reports of overseas issuers must be prepared and drawn up in conformity with financial reporting standards acceptable to the Exchange, which will normally be Hong Kong Financial Reporting Standards ("**HKFRS**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") or International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**"). However, the Exchange may allow a report to be drawn up otherwise than in conformity with HKFRS and IFRS¹⁴.
28. The suitability of a body of alternative financial reporting standards depends on whether there is any significant difference between the foreign financial reporting standards and IFRS, and whether there is any concrete proposal to converge or substantially converge the foreign financial reporting standards with IFRS.
29. On this basis the Exchange has accepted that the financial statements and accountants' reports of overseas issuers can be prepared in conformity with the financial reporting standards set out in the table below subject to the limitations stated therein:

STANDARD	LIMITATIONS
EU-IFRS	For issuers incorporated in a member state of the European Union
US GAAP	For issuers with, or seeking, a dual-primary or secondary listing in the US and on the Exchange
Australian Accounting Standards	Only issuers with, or seeking, a primary listing in the same jurisdiction as the standard setter that have, or are seeking, a dual primary listing or secondary listing on the Exchange
Generally Accepted Accounting Principles of Canada	
Accounting principles generally accepted in Japan issued by the Accounting Standards Board of Japan	

¹³ A listed issuer must also prepare its interim report in accordance with the same accounting standards that it adopted in the preparation of its most recent published annual financial statements (paragraph 38 of Appendix 16 to the MB Rules and note 5 to GEM Rule 18.55) and must ensure that the accounting policies applied to the figures in each quarterly report are consistent with those applied to annual financial statements (note 2 to GEM Rule 18.66).

¹⁴ Primary Listing: MB Rules 19.13 and 19.14 and GEM Rules 7.12 and 7.14 (accountants' reports) and MB Rule 19.25A and GEM Rule 24.18A (annual financial statements). Secondary Listing: MB Rules 19C.10D (accountants' reports) and 19C.23 (annual financial statements).

STANDARD	LIMITATIONS
Singapore Financial Reporting Standards	
UK adopted international accounting standards	

30. An overseas issuer adopting a body of financial reporting standards other than HKFRS or IFRS for the preparation of its financial statements must include a reconciliation statement setting out the financial effect of any material differences between those financial statements and financial statements prepared using HKFRS or IFRS in its accountants' reports and annual/ interim/ quarterly reports.¹⁵
31. The reconciliation statement should be appropriate and meaningful and enable investors to make an informed assessment of the overseas issuer's financial position and financial performance. The minimum level of disclosure in a reconciliation statement should include a line-by-line reconciliation of the overseas issuer's financial information showing the material differences between its accounting policies under the alternative financial reporting standards and HKFRS/IFRS, with an explanation of such differences. Comparative information should be provided for the reconciliation. In the case of accountants' reports to be included in a listing document, the reconciliation statement should cover the entire track record period (including any stub period).
32. Materiality is not defined in the Listing Rules nor may it necessarily be defined in monetary terms. An overseas issuer should exercise its judgement in assessing what constitutes material differences for investors taking into account all relevant circumstances of the issuer with advice from auditors and/or reporting accountants.
33. The reconciliation statement should be reviewed by reporting accountants or auditors. Where the reconciliation statement is included in a note to the "audited"¹⁶ accountants' reports or "audited" or "reviewed"¹⁷ financial statements, reporting accountants and auditors are not required to provide a separate opinion on the reconciliation statement. Where the relevant financial statements (e.g. interim/ quarterly financial statements)¹⁸ are not

¹⁵ Primary Listing: MB Rule 19.14 and GEM Rule 7.14 (accountants' reports) and MB Rule 19.25A and GEM Rule 24.18A (annual/ interim/ quarterly financial statements). Secondary Listing: MB Rules 19C.10D (accountants' reports) and 19C.23 (annual/ interim financial statements).

¹⁶ In respect of accountants' reports, "audited" in this context refers to the work done by the reporting accountants in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars".

¹⁷ In respect of financial statements, "reviewed" in this context refers to a review by auditors in accordance with International Standard on Review Engagements 2410 or Hong Kong Standard on Review Engagements 2410.

¹⁸ The requirement to prepare a reconciliation statement for quarterly financial statements is only applicable to GEM issuers. For the avoidance of doubt, a secondary listed issuer listed in the US is not required to prepare a reconciliation statement in respect of its US GAAP quarterly financial statements which are published pursuant to overseas rules and regulations.

audited or reviewed by auditors, the reconciliation statement required to be included in a note to such statements should be reviewed by auditors in accordance with a standard comparable to International Standard on Assurance Engagements 3000 or Hong Kong Standard on Assurance Engagements 3000.

*The use of US GAAP for Secondary Listing – Transitional arrangements*¹⁹

34. Secondary listed issuers that are listed in the US and are allowed to use US GAAP will be able to continue to do so, but will be required to include a reconciliation statement in their annual financial statements starting from the first full financial year commencing on or after the relevant rule amendment²⁰ effective date and in all subsequent financial statements (including interim financial statements²¹). Please see below a table setting out the financial periods with respect to which a reconciliation statement will be required in the financial statements.

When the rule amendment becomes effective on 1 January 2022:

Secondary listed issuers	Annual report	Interim report
where the first full financial year commences on or after 1 January 2022	✓ (includes a reconciliation statement)	
For example for an existing listed issuer with a December year-end (i.e. its financial year begins on 1 January 2022), the first financial report in respect of which a reconciliation statement is required is:	Year ending 31 December 2022	Six months ending 30 June 2023

35. New secondary listing applications from US-listed applicants that prepare financial statements using US GAAP are required to include a reconciliation statement in their accountants' reports²² only if their new

¹⁹ For the avoidance of doubt, overseas issuers with, or seeking, a dual primary listing that prepare their financial statements using US GAAP are required to continue to comply with the requirement to prepare reconciliation statements for the annual and interim financial statements and accountants' report.

²⁰ MB Rule 19C.23.

²¹ A secondary listed issuer listed in the US is not required to prepare a reconciliation statement in respect of its US GAAP quarterly financial statements which are published pursuant to overseas rules and regulations.

²² MB Rule 19C.10D.

listing applications are submitted on or after 1 January 2023.

Auditing Standards

36. The Listing Rules state that an accountants' report and annual financial statements of an overseas issuer must be audited to a standard comparable to that required by HKICPA or the International Auditing and Assurance Standards Board ("IAASB").²³
37. To date, the Exchange is satisfied that the following seven sets of alternative standards are comparable to those required by HKICPA or the IAASB, and allows them to be used in the auditing of overseas issuers' financial statements:
 - (a) Australian Auditing Standards;
 - (b) the Generally Accepted Auditing Standards of Canada;
 - (c) professional auditing standards applicable in France in accordance with the French Commercial Code;
 - (d) Italian Auditing Standards;
 - (e) Singapore Standards on Auditing;
 - (f) International Standards on Auditing (UK); and
 - (g) the US Public Company Accounting Oversight Board auditing standards.
38. Overseas issuers seeking to adopt a body of financial reporting standards or auditing standards that is not covered by this letter should consult the Exchange at the earliest opportunity.

G. Taxation

39. If withholding tax on distributable entitlements or any other tax is payable by shareholders (e.g. capital gains, inheritance or gift taxes), an overseas issuer must bring this to the Exchange's attention at the earliest possible opportunity prior to listing. The overseas issuer must disclose in its listing document details of the stamp duty and tax payable by shareholders, and whether Hong Kong investors have any tax reporting obligations and related procedures.

H. Alternative Procedures for U.S "Domestic Issuers"

²³ Primary Listing: MB Rule 19.12 and GEM Rule 7.17A (accountants' reports) and MB Rule 19.21 and GEM Rule 24.14 (annual financial statements). Secondary Listing: MB Rules 19C.10C (accountants' reports) and 19C.17 (annual financial statements).

40. “Domestic issuers” within the meaning of Regulation S (“**Regulation S**”) under the United States Securities Act of 1933 who wish to offer their equity securities (“**Regulation S Securities**”) in “offshore transactions” within the meaning of, and in reliance on the safe harbor provided by, Regulation S must fulfil the requirements of that regulation (the “**Regulation S Category 3 Requirements**”).
41. Given the manner in which securities are traded and settled on the Exchange, it is not feasible for such “domestic issuers” and their underwriters to comply strictly with certain of the Regulation S Category 3 Requirements in connection with a listing of Regulation S Securities on the Exchange. Accordingly, the Exchange has formulated certain alternative procedures tailored to address the underlying policy concerns. Please refer to the Exchange website (include [link](#)) for further information.

I. Stock Name Identification

42. To enable investors to identify more easily the following types of listed overseas companies, such overseas companies that are listed on the Exchange are required to clearly label their stock short names with appropriate suffixes. The specified stock short names/ codes for such overseas issuers are as follows:
 - (a) Suffix “DR” and a stock code between 6200-6399 if they have listed HDRs (see section E above);
 - (b) Suffix “RS” and a stock code between 6300-6399 if they are incorporated in the United States of America and have listed securities/ HDRs that are restricted securities under US federal securities laws (see section H above);
 - (c) Suffix “S” if they have a secondary listing in Hong Kong; and
 - (d) Suffix “TP” if a secondary listed issuer in Hong Kong voluntarily converts or de-lists its shares or depositary receipts from the overseas exchange on which it is primary listed but cannot comply fully with the applicable Listing Rules immediately upon the change of its listing status and has applied for a grace period as time-relief waiver.

J. Company Information Sheet

43. Company Information Sheets must be prepared by (a) all secondary listed issuers; and (b) any other primary listed or dual-primary listed overseas issuers (including issuers incorporated in Bermuda and Cayman Islands) that meet any of the criteria set out in MB Rule 19.60 and GEM Rule 24.27.
44. The Exchange may also at its own discretion require a primary listed or dual-primary listed overseas issuer to publish a Company Information Sheet where the Exchange believes the publication of a Company

Information Sheet would be informative to investors (for example, to provide them with information on overseas laws and regulations to which the issuer is subject and which may be unfamiliar to investors in Hong Kong). Materiality should be determined by the issuers and their advisers. Issuers are encouraged to consult the Exchange if they are uncertain about the requirements.

45. The information usually expected in the Company Information Sheet is set out in MB Rule 19.60 (for primary listing), MB Rule 19C.10C(7) (for secondary listing) and GEM Rule 24.27.
46. A listed overseas issuer required to issue a Company Information Sheet under paragraphs 43 and 44 above shall publish the Company Information Sheet within 3 months from the time of the Exchange's request or, for issuers listed on the Exchange's markets as at 31 December 2021, within 3 months from 1 January 2022.

Appendix I

(Checklist on the Exchange’s website and to be completed only if there are shortfalls in the requirements or where the overseas issuer is from a jurisdiction where securities of companies incorporated have not previously been admitted to trading on CCASS)

INFORMATION REQUIRED FROM OVERSEAS ISSUERS¹

Date of submission : _____

Name of applicant (the “Applicant”) : _____

Subject jurisdiction of incorporation (the “Jurisdiction”) : _____

**Place of central management and control²
(if applicable and different from the
Jurisdiction) (“PCMC”)** : _____

Name of the legal adviser(s) : (as to the laws of Hong Kong)
 (as to the laws of the Jurisdiction)

**Name and role of any other adviser(s)
relevant in the preparation of this checklist** : _____

¹ Unless otherwise defined, capitalised terms used herein have the same meanings as in the Main Board Listing Rules.

² Please refer to Listing Rule 1.01 for the definition “place of central management and control”.

I. Regulatory Regime

1. State the name(s) of the statutory securities regulator in:

(a) Jurisdiction : _____

(b) PCMC : _____

2. State whether the following is a full signatory to the IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information:

**Statutory
securities
regulator in the
Jurisdiction**

**Statutory securities
regulator in the
Applicant's PCMC**

(Yes or No)

Note: If the answer is "No" to any part of Question 2 above, please consult the Exchange before continuing to complete this checklist.

3. Provide a brief description of the regulatory framework that governs the corporate and securities activities and rights of shareholders of the companies incorporated in the Jurisdiction³, which is expected to be included in the issuer's listing document.

4. Provide details whether regulatory approvals are required for a company incorporated in the Jurisdiction to seek an overseas listing.

5. Advise if there are (a) any restrictions as to (i) the type of shares which may be issued; and (ii) the identity of holders of the shares, in each case by a company incorporated in the Jurisdiction; (b) any limit on the percentage of shares in a company incorporated in the Jurisdiction that can be held by local or foreign shareholders; and (c) any other special criteria or restrictions for overseas listing of companies incorporated in the Jurisdiction.

³ The regulatory framework that is applicable to the type of company that will apply for listing in Hong Kong (for example, the regulatory framework that applies because the applicant is a private or a public company and/or because its shares are traded on a local or foreign stock exchange), if the regulatory frameworks are different.

II. Core Shareholder Protection Standards

Paragraph No. of Appendix 3 to Main Board Listing Rules and GEM Listing Rules	Core Shareholder Protection Standard	Fully complied with? <i>(please tick and provide the information)</i>		Proposed actions that a potential applicant will take to address the potential conflict or shortfall (if applicable)
		Yes <i>(please state (i) the equivalent requirements of the Jurisdiction, and (ii) how they provide the Core Shareholder Protection Standard)</i>	No <i>(please state (i) the comparable requirements of the Jurisdiction (if any), and (ii) the potential conflict or shortfall)</i>	
Directors				
<u>Casual vacancy appointments</u>				
4(2)	<p>Any person appointed by the directors to fill a casual vacancy on or as an addition to the board shall hold office only until the first annual general meeting of the issuer after his appointment, and shall then be eligible for re-election.</p> <p><i>Note: In respect of Grandfathered Greater China Issuers and Non-Greater China Issuers that are permitted to have a WVR structure that does not comply with Chapter 8A of the Listing Rules, the Exchange will consider the</i></p>			

Paragraph No. of Appendix 3 to Main Board Listing Rules and GEM Listing Rules	Core Shareholder Protection Standard	Fully complied with? (please tick and provide the information)		Proposed actions that a potential applicant will take to address the potential conflict or shortfall (if applicable)
		Yes (please state (i) the equivalent requirements of the Jurisdiction, and (ii) how they provide the Core Shareholder Protection Standard)	No (please state (i) the comparable requirements of the Jurisdiction (if any), and (ii) the potential conflict or shortfall)	
	<i>applicability of this requirement on a case-by-case basis based on the circumstances of each individual case.</i>			
<u>Removal of directors</u>				
4(3)	<p>Where not otherwise provided by law, members in general meeting shall have the power by ordinary resolution to remove any director (including a managing or other executive director, but without prejudice to any claim for damages under any contract) before the expiration of his term of office.</p> <p><i>Note: In respect of Grandfathered Greater China Issuers and Non-Greater China Issuers that are permitted to</i></p>			

Paragraph No. of Appendix 3 to Main Board Listing Rules and GEM Listing Rules	Core Shareholder Protection Standard	Fully complied with? <i>(please tick and provide the information)</i>		Proposed actions that a potential applicant will take to address the potential conflict or shortfall (if applicable)
		Yes <i>(please state (i) the equivalent requirements of the Jurisdiction, and (ii) how they provide the Core Shareholder Protection Standard)</i>	No <i>(please state (i) the comparable requirements of the Jurisdiction (if any), and (ii) the potential conflict or shortfall)</i>	
	<i>have a WVR structure that does not comply with Chapter 8A of the Listing Rules, the Exchange will consider the applicability of this requirement on a case-by-case basis based on the circumstances of each individual case.</i>			
General Meetings				
<u><i>Timing of annual general meeting</i></u>				
14(1)	An issuer must hold a general meeting for each financial year as its annual general meeting. <i>Note: Generally, an issuer must hold its annual general meeting within six months after the end of its financial year.</i>			

Paragraph No. of Appendix 3 to Main Board Listing Rules and GEM Listing Rules	Core Shareholder Protection Standard	Fully complied with? <i>(please tick and provide the information)</i>		Proposed actions that a potential applicant will take to address the potential conflict or shortfall (if applicable)
		Yes <i>(please state (i) the equivalent requirements of the Jurisdiction, and (ii) how they provide the Core Shareholder Protection Standard)</i>	No <i>(please state (i) the comparable requirements of the Jurisdiction (if any), and (ii) the potential conflict or shortfall)</i>	
<u>Notice of annual general meeting</u>				
14(2)	An issuer must give its members reasonable written notice of its general meetings. <i>Note: "Reasonable written notice" normally means at least 21 days for an annual general meeting and at least 14 days for other general meetings. This is unless it can be demonstrated that reasonable written notice can be given in less time.</i>			
<u>Right to speak and vote at general meetings</u>				
14(3)	Members must have the right to (1) speak at a general meeting; and (2) vote at a general meeting except where a			

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		Yes <i>(please state (i) the equivalent requirements of the Jurisdiction, and (ii) how they provide the Core Shareholder Protection Standard)</i>	No <i>(please state (i) the comparable requirements of the Jurisdiction (if any), and (ii) the potential conflict or shortfall)</i>	
	<p>member is required, by the Listing Rules, to abstain from voting to approve the matter under consideration.</p> <p><i>Notes</i></p> <p><i>1. An example of such a circumstance is where a member has a material interest in the transaction or arrangement being voted upon.</i></p> <p><i>2. If an issuer is subject to a foreign law or regulation that prevents the restriction of a member's right to speak and/or vote at general meetings, the issuer can enter into an undertaking with the Exchange to put in place measures that achieve the same outcome as the restriction under this</i></p>			

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		Yes <i>(please state (i) the equivalent requirements of the Jurisdiction, and (ii) how they provide the Core Shareholder Protection Standard)</i>	No <i>(please state (i) the comparable requirements of the Jurisdiction (if any), and (ii) the potential conflict or shortfall)</i>	
	<i>paragraph (e.g. any votes cast by or on behalf of a member in contravention of the rule restriction must not be counted towards the resolution).</i>			
<u><i>Restriction on shareholder voting</i></u>				
14(4)	Where any shareholder is required under the Listing Rules to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.			

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		Yes <i>(please state (i) the equivalent requirements of the Jurisdiction, and (ii) how they provide the Core Shareholder Protection Standard)</i>	No <i>(please state (i) the comparable requirements of the Jurisdiction (if any), and (ii) the potential conflict or shortfall)</i>	
<u><i>Right to convene an extraordinary general meeting</i></u>				
14(5)	Members holding a minority stake in the total number of issued shares must be able to convene an extraordinary general meeting and add resolutions to a meeting agenda. The minimum stake required to do so must not be higher than 10% of the voting rights, on a one vote per share basis, in the share capital of the issuer.			

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		Yes <i>(please state (i) the equivalent requirements of the Jurisdiction, and (ii) how they provide the Core Shareholder Protection Standard)</i>	No <i>(please state (i) the comparable requirements of the Jurisdiction (if any), and (ii) the potential conflict or shortfall)</i>	
Other Shareholder Rights				
<u>Variation of Class Rights</u>				
15	<p>A super-majority vote of the issuer's members of the class to which the rights are attached shall be required to approve a change to those rights.</p> <p><i>Notes</i></p> <p>1. A "super-majority vote" means at least three-fourths of the voting rights of the members holding shares in that class present and voting in person or by proxy at a separate general meeting of members of the class where the quorum for such meeting shall be holders of at least one third of the issued shares of the</p>			

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	<p><i>class. This is unless it can be demonstrated that shareholder protection will not be compromised by a lower voting threshold (e.g. simple majority votes in favour of the relevant resolutions with a higher quorum requirement) and in such case a “super-majority vote” is deemed to be achieved.</i></p> <p><i>2. For PRC issuers, the Exchange will consider a resolution passed by members representing at least two-thirds of the voting rights of the members who are present at the classified members’ meeting and have voting rights to amend class rights as</i></p>			

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		Yes <i>(please state (i) the equivalent requirements of the Jurisdiction, and (ii) how they provide the Core Shareholder Protection Standard)</i>	No <i>(please state (i) the comparable requirements of the Jurisdiction (if any), and (ii) the potential conflict or shortfall)</i>	
	<i>satisfying the threshold of a “super-majority”.</i>			
<u><i>Amendment of Constitutional Documents</i></u>				
16	<p>A super-majority vote of the issuer’s members in a general meeting shall be required to approve changes to an issuer’s constitutional documents, however framed.</p> <p><i>Notes</i></p> <p>1. A “super-majority vote” means at least three-fourths of the total voting rights of the members present and voting in person or by proxy at the general meeting. This is unless it can be demonstrated that shareholder protection will not</p>			

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		Yes <i>(please state (i) the equivalent requirements of the Jurisdiction, and (ii) how they provide the Core Shareholder Protection Standard)</i>	No <i>(please state (i) the comparable requirements of the Jurisdiction (if any), and (ii) the potential conflict or shortfall)</i>	
	<p><i>be compromised by a lower voting threshold (e.g. simple majority votes in favour of the relevant resolutions with a higher quorum requirement) and in such case a “super-majority vote” is deemed to be achieved.</i></p> <p><i>2. For PRC issuers, the Exchange will consider a resolution passed by members representing at least two-thirds of the total voting rights of the members present and voting in person or by proxy at the meeting as satisfying the threshold of a “super-majority”.</i></p>			

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<u>Appointment, removal and remuneration of auditors</u>				
17	<p>The appointment, removal and remuneration of auditors must be approved by a majority of the issuer's members or other body that is independent of the board of directors.</p> <p><i>Note: An example of such an independent body is the supervisory board in systems that have a two tier board structure.</i></p>			
<u>Proxies and corporate representatives</u>				
18	<p>Every member shall be entitled to appoint a proxy who needs not necessarily be a member of the issuer and that every</p>			

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	shareholder being a corporation shall be entitled to appoint a representative to attend and vote at any general meeting of the issuer and, where a corporation is so represented, it shall be treated as being present at any meeting in person. A corporation may execute a form of proxy under the hand of a duly authorised officer.			
<u><i>HKSCC's right to appoint proxies or corporate representatives</i></u>				
19	HKSCC must be entitled to appoint proxies or corporate representatives to attend the issuer's general meetings and creditors meetings and those proxies/ corporate			

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	<p>representatives must enjoy rights equivalent to the rights of other shareholders, including the right to speak and vote.</p> <p><i>Note: Where the laws of an overseas jurisdiction prohibit HKSCC from appointing proxies/ corporate representatives enjoying the rights described by this paragraph, the issuer must make the necessary arrangements with HKSCC to ensure that Hong Kong investors holding shares through HKSCC enjoy the rights to vote, attend (personally or by proxy) and speak at general meetings.</i></p>			

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<u>Inspection of Branch Register</u>				
20	The branch register of members in Hong Kong shall be open for inspection by members but the issuer may be permitted to close the register on terms equivalent to section 632 of the Companies Ordinance.			
<u>Voluntary winding up</u>				
21	A super-majority vote of the issuer's members in a general meeting shall be required to approve a voluntary winding up of an issuer. <i>Notes</i>			

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	<p>1. A “super-majority vote” means at least three-fourths of the total voting rights of the members present and voting in person or by proxy at the general meeting. This is unless it can be demonstrated that shareholder protection will not be compromised by a lower voting threshold (e.g. simple majority votes in favour of the relevant resolutions with a higher quorum requirement) and in such case a “super-majority vote” is deemed to be achieved.</p> <p>2. For PRC issuers, the Exchange will consider a resolution passed by members representing at least two-thirds of the total voting rights of the</p>			

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	<i>members present and voting in person or by proxy at the meeting as satisfying the threshold of a “super-majority”.</i>			

III. Compliance with The Codes on Takeovers and Mergers and Share Buy-backs (“Codes”)

The Codes apply to takeovers, mergers and share buy-backs affecting Hong Kong public companies and Real Estate Investment Trusts with a primary or dual-primary listing on the Exchange. The Codes do not apply to a secondary listed company on the Exchange unless it is a “public company in Hong Kong” within the meaning of the Codes. The SFC will consider all the circumstances including the factors set out in section 4.2 of the Introduction to the Codes⁴ to determine whether a secondary listed company is a “public company in Hong Kong”.

1. Provide a brief description of the regulatory framework that governs takeovers, mergers and share buy-backs of companies incorporated in the Jurisdiction.
2. Specify and provide full analysis of:

⁴ <https://www.sfc.hk/web/EN/rules-and-standards/codes-and-guidelines/codes/>.

- (a) any conflicts between the laws and regulations of the Jurisdiction and the Codes;
 - (b) the laws and regulations of the Jurisdiction which would render an offeror, offeree company or their related parties being unable to comply with the Codes; and
 - (c) the proposed actions that a potential applicant incorporated in the Jurisdiction will take to resolve these conflicts or differences, including any waivers or exemptions available under the local jurisdictions the waiver/exemption of which would allow the parties to fully comply with the Codes, and the relevant procedures.
3. Provide details of any statutory takeovers or mergers regime in the Jurisdiction which provides for (a) compulsory acquisition or squeeze out rights; and (b) appraisal rights for dissenting shareholders.
4. Advise whether the Jurisdiction permits treasury shares to be held and if permitted, the voting rights and dividend entitlement attached to such treasury shares.

Appendix II - Published Country Guides or guidance ([link](#))

1. Australia
2. Austria
3. Bermuda
4. Brazil
5. British Virgin Islands
6. Canada – Alberta
7. Canada – British Columbia
8. Canada – Ontario
9. Cayman Islands
10. Cyprus
11. England & Wales
12. France
13. Germany
14. Guernsey
15. India
16. Ireland
17. Isle of Man
18. Israel
19. Italy
20. Japan
21. Jersey
22. Republic of Korea
23. Labuan
24. Luxembourg
25. Netherlands
26. Russia
27. Singapore (the Republic of)
28. United States of America – State of California
29. United States of America – State of Delaware
30. United States of America - State of Nevada