Change of listing status from secondary listing to dual-primary or primary listing on the Main Board

I. Purpose

1. This letter provides guidance on the requirements and procedures for overseas issuers[1] contemplating a change of their listing status from a secondary to a dual-primary or primary listing on the Exchange upon Migration, Primary Conversion or Overseas De-listing (as defined in paragraph 4 below).

2. References to shares of an overseas issuer in this letter include, where applicable, depositary receipts issued over such shares.

II. Relevant Listing Rules

3. Under the MB Rules, a secondary listed issuer must maintain a primary listing on a Recognised Stock Exchange, with the majority of trading in its listed shares taking place outside the Exchange's markets. Given that such issuer is principally regulated by the rules and authorities of its primary listing venue, the MB Rules provide a range of exemptions and waivers from full compliance with the Rules.

4. The following MB Rules govern a change of listing status:

   (a) MB Rules 19C.13 and 19C.13A provide that upon: (i) a migration of the majority of trading in their listed shares to the Exchange's markets on a permanent basis (**Migration**); or (ii) a de-listing (whether voluntary or involuntary) of their shares, or depositary receipts issued over those shares, from the Recognised Stock Exchange[1] on which they are primary listed (**Overseas De-listing**), the Exchange will regard the issuer as having a dual-primary or primary listing. Any exemptions or waivers available or granted on the basis of, or conditional upon, its secondary listing status[2] will cease to apply.

   The same principles apply, in practice, to secondary listed issuers seeking a voluntary conversion to dual-primary listing on the Exchange (**Primary Conversion**).

   (b) For Migration, MB Rule 19C.13 provides a 12-month grace period for compliance with the Listing Rules applicable to a dual-primary listed issuer (**Migration Grace Period**), expiring at midnight on the first anniversary of the date of the Exchange's written notice of its decision that the majority of trading in the listed shares has migrated permanently to the Exchange's markets (**Migration Exchange Notice**).

   For an Overseas De-listing or a Primary Conversion, the issuer is expected to comply with all applicable Listing Rules upon the effective date, and a grace period will not normally be granted.

[1] As defined in MB Rules Chapter 1.
[2] MB Rules 19C.11, 19C.11A, 19C.11B and 19C.11C (as applicable).

III. Guidance

A. General effect of a Change of Listing Status

5. An overseas issuer will be regarded as having a change of listing status (**Change of Listing Status**) from a secondary listing to:

   (a) a dual-primary listing on the Exchange upon (i) the expiry of the Migration Grace Period; or (ii) the effective date of Primary Conversion; or

   (b) a primary listing on the Exchange upon the effective date of Overseas De-listing.

6. Upon a Change of Listing Status, all exemptions and waivers available or granted on the basis of, or conditional upon, the issuer's secondary listing status will cease to apply (save as otherwise provided under the "Transitional arrangements and specific exemptions for a Change of Listing Status" in **section IIIC** below).

7. Waivers that are not granted by virtue of the issuer's secondary listing status will generally continue, subject to modification or withdrawal (under MB Rule 2.04) if the Change of Listing Status constitutes a change in the circumstances under which the waivers were granted.

B. Rule compliance arrangements

8. When planning for a Change of Listing Status, issuers should assess its implications and make arrangements for compliance with the Listing Rules applicable to primary listed issuers, particularly in the following key areas:

(a) Identifying applicable Rules and establishing internal controls	Issuers should identify the Listing Rules that will become applicable, for example: (i) Corporate actions or other activities may be subject to disclosure, approval and other requirements under the Listing Rules, which differ from those in other jurisdictions (for instance, notifiable and connected transactions, equity fundraising, employee share schemes, and restrictions on share repurchases and directors' dealings in securities). Shareholders' approval may be required for material transactions and the issuance or repurchase of securities. (ii) Issuers should maintain effective internal control systems to identify such activities in a timely manner and ensure compliance with the applicable Listing Rules. (iii) Issuers should implement the necessary governance structures (such as establishing board committees with appropriate composition and terms of reference) and procedures to ensure proper discharge of reporting and compliance obligations.
(b) Applying for dispensation from specific Rules	As set out in paragraph 6 above, upon a Change of Listing Status, all exemptions and waivers that the issuer is entitled to by virtue of its secondary listing status will cease to apply. Where an issuer wishes to retain or obtain any waiver, it should apply to the Exchange[3] at the earliest opportunity. The Exchange will assess each application on a case-by-case basis.

[3] See the Guide on Applications for Waivers and Modifications of the Listing Rules for details.

	In particular, issuers may have adopted arrangements in accordance with the requirements of their primary listing jurisdictions. Where the removal of such arrangements would be unduly burdensome and their continuation would not pose undue risks to shareholders, the Exchange may consider granting waivers to permit the arrangements to continue, subject to adequate shareholders' protection mechanism.
(c) Seeking shareholders' advance mandate on corporate actions	Given differences in the regulatory frameworks of the Exchange and overseas jurisdictions, issuers should plan ahead for corporate actions and other activities following a Change of Listing Status and, where appropriate, obtain advance shareholders' mandates in accordance with the Listing Rules. For example, the Listing Rules require all new share issuances to be made on a pre-emptive basis unless approved by shareholders. To maintain flexibility, issuers may consider obtaining a general mandate to issue shares until the next annual general meeting, thereby facilitating equity fundraising going forward. Advance mandates are also commonly required for share repurchases, grants of new shares or treasury shares under employee share schemes that comply with MB Rules Chapter 17, and continuing transactions with connected persons that comply with MB Rules Chapter 14A.

C. Transitional arrangements and specific exemptions for a Change of Listing Status

(1) Financial reporting standards

<u>Overseas De-listing</u>

9. A secondary listed issuer that adopts an alternative overseas financial reporting standard[4] for the preparation of its annual accounts must revert to HKFRS or IFRS if it de-lists from the jurisdiction of that alternative standard.[5] This applies to all annual and interim financial statements falling due, and published, under the Listing Rules after the first anniversary of the Overseas De-listing.

10. Such reversion is *not* required for:

    (a) issuers listed in the United States of America (**US**) that have adopted US GAAP; and

    (b) issuers incorporated in a member state of the European Union that have adopted EU-IFRS.[5]

    These issuers may continue to adopt US GAAP or EU-IFRS (as applicable) after the Overseas De-listing.

[4] Being one of the alternative overseas financial reporting standards acceptable by the Exchange under Note 2 to MB Rule 19C.23 and published on the Exchange's website (see Guidance Letter HKEX-GL111-22 - Guidance for Overseas Issuers).

[5] Note 4 to MB Rule 19C.23.

<u>Migration or Primary Conversion</u>

11. A waiver permitting the use of an alternative overseas financial reporting standard will continue following a Migration or Primary Conversion, if the issuer: (i) maintains a primary listing in the jurisdiction of that alternative standard; or (ii) is incorporated in a member state of the European Union and has adopted EU-IFRS (as applicable).

(2) Notifiable transactions and connected transactions

12. An issuer will continue to enjoy all exemptions and waivers available to it by virtue of its secondary listing status until the Change of Listing Status takes effect, notwithstanding it has:

    (a) received a Migration Exchange Notice; or

    (b) submitted a Primary Conversion Application or Overseas De-listing Issuer Notification (all as defined in **section IIID** below).

13. For transactions entered into before a Change of Listing Status takes effect that are to be completed or continue thereafter, the issuer should comply with the applicable requirements under MB Rules Chapters 14 and/or 14A, subject to the modifications and exemptions set out below:

NATURE OF TRANSACTIONS	***COMPLIANCE WITH MB RULES CHAPTERS 14 AND/OR 14A***
	All scenarios of Change of Listing Status
(a) One-off transaction entered into before a Change of Listing Status takes effect and is to be completed thereafter	For a transaction that constitutes a notifiable and/or connected transaction and is to be completed after the Change of Listing Status, the Exchange would generally require the issuer to: (i) disclose details of the transaction by way of announcement; and (ii) make the transaction conditional on shareholders' approval (where applicable) if the issuer is aware of an imminent Change of Listing Status at the time of entering into the transaction (for example, where the transaction is entered into shortly before or after the Migration Exchange Notice or the Primary Conversion Application or Overseas De-listing Issuer Notification).[6]

[6] Below is a list of non-exhaustive factors that the Exchange may also take into consideration:
(a) the extent to which the Change of Listing Status is within the issuer's control;
(b) the materiality of the transaction (for example, whether it would have involved the issue of securities or have constituted a very substantial acquisition under MB Rules Chapter 14); and
(c) the length of the period between the time at which the terms of the transaction are agreed, and the dates of the Migration Exchange Notice, Primary Conversion Application or Overseas De-listing Issuer Notification (as the case may be).

<table>
<tr><th>NATURE OF TRANSACTIONS</th><th colspan="4">COMPLIANCE WITH MB RULES CHAPTERS 14 AND/OR 14A</th></tr>
<tr><td rowspan="2"></td><td rowspan="2">Primary Conversion</td><td colspan="2">Overseas De-listing</td><td rowspan="2">Migration</td></tr>
<tr><td>Voluntary</td><td>Involuntary</td></tr>
<tr><td rowspan="2">(b) Continuing transactions entered into before a Change of Listing Status takes effect and will continue thereafter</td><td colspan="2" rowspan="2">Full compliance for continuing transactions conducted after the Change of Listing Status.</td><td colspan="2">(i) Where the transactions are entered into before the submission of the Overseas De-listing Issuer Notification or the beginning of the Migration Grace Period, and will continue after the Change of Listing Status:

- the transactions would be exempt from compliance for a period of three years from the date of the Overseas De-listing Issuer Notification or the Migration Exchange Notice (as the case may be);

- the issuer should disclose details of the transactions by way of announcement; and

- if the transactions are subsequently amended or renewed before the expiry of the three-year period, the issuer must comply with the relevant requirements at such time.

For involuntary Overseas De-listing, the Exchange may modify, or not grant, the exemption if the issuer fails to notify the Exchange of the anticipated Overseas De-listing in a timely manner.[7]</td></tr>
<tr><td colspan="2">(ii) Full compliance for other continuing transactions conducted after the Change of Listing Status.</td></tr>
</table>

[7] Note 3 to MB Rule 19C.13 and Note to MB Rule 19C.13A. See also paragraph 23 below.

(3) WVR and VIE structures

14. Grandfathered Greater China Issuers and Non-Greater China Issuers[8] meeting specified conditions may seek a secondary listing or dual-primary listing in Hong Kong with Non-compliant[9] WVR Structures[10] and/or contractual arrangements[11], commonly referred to as variable interest entity structures (**VIE structures**).[12]

15. A Grandfathered Greater China Issuer or a Non-Greater China Issuer secondary listed in Hong Kong may continue to retain its Non-compliant WVR and/ or VIE structures (in effect at the time of its listing in Hong Kong) following the Change of Listing Status.

D. Processes and issuer's obligations in relation to a Change of Listing Status

(1) Migration

16. Secondary listed issuers should, beginning with their first full financial year after listing on the Exchange, monitor whether the majority of their trading has taken place on the Exchange's markets.

17. The Exchange will regard the majority of trading in an issuer's listed shares to have migrated to the Exchange's markets permanently if **55% or more** of the total worldwide trading volume, by dollar value, of those shares (including the volume of trading in depositary receipts issued on those shares) has taken place on the Exchange's markets over the most recent financial year.[13] For this purpose, the percentage of trading volume on the Exchange's markets is determined as follows:

$$\frac{\textbf{Total trading volume on the Exchange's markets by dollar value over a full financial year}}{\textbf{Total worldwide trading volume by dollar value over a full financial year}} \times 100\%$$

Data of "dollar value" and exchange rate published by a reputable independent third-party market data provider should be adopted.

18. The Exchange will consider information provided by secondary listed issuers on the trading volume as set out in paragraph 19(b) below. Where the Exchange determines that such permanent migration has occurred, it will issue a Migration Exchange Notice to inform the issuer of the Migration Grace Period and that the Exchange will regard it as having a dual-primary (rather than secondary) listing on the Exchange upon the expiry of the Migration Grace Period, and remove the stock marker "S" from its stock short name. Where the issuer is unable to fully comply with the applicable Listing Rules upon expiry of the Migration Grace Period, the stock marker "S" will continue to apply until full compliance is achieved. See paragraph 26(a) below for further details.

8 Both as defined in Chapter 1 of the MB Rules.
9 "Non-compliant" in paragraphs 14 and 15 means non-compliance with the requirements concerning WVR Structures and VIE structures under the Listing Rules and Chapter 2.2 of the Guide for New Listing Applicants.
10 As defined in MB Rule 8A.02.
11 Contractual arrangements refer to contract-based arrangements or structures used by applicants to hold interests in, and control over, certain business that is subject to foreign investment restrictions. See Chapter 4.1 of the Guide for New Listing Applicants
12 Chapter 2.2 of the Guide for New Listing Applicants.
13 MB Rule 19C.13.

19. General procedures and obligations of the issuer are set out below:

Applicable to all secondary listed issuers	
(a) Within five business days of the end of the third quarter of each financial year	A secondary listed issuer must notify the Exchange of: (i) the computation of the percentage of trading volume on the Exchange's markets over the first nine months; and (ii) whether such trading has exceeded 50% of the total worldwide trading volume over that period. If the 50% threshold is exceeded, the issuer should start assessing the implications of becoming a primary listed issuer, including the disapplication of exemptions and waivers that it is entitled to by virtue of its secondary listing status, and the potential withdrawal of other waivers.
(b) Within five business days of the end of each financial year	A secondary listed issuer must notify the Exchange of: (i) the computation of the percentage of trading volume on the Exchange's markets over the full financial year; and (ii) whether such trading has triggered the 55% threshold under MB Rule 19C.13 (see paragraph 17 above). If the 55% threshold is triggered, the issuer should, as soon as practicable, submit to the Exchange: (i) its detailed plan and arrangements for compliance with the Listing Rules applicable to a dual-primary listed issuer; and (ii) where applicable, an application for waivers from compliance with any specific Listing Rules following the Change of Listing Status (see paragraph 8(b) above).
Applicable to a secondary listed issuer undergoing a Migration	
(c) Upon receipt of Migration Exchange Notice	The issuer must publish an announcement as soon as practicable to inform the market of the following: (i) the migration of the majority of trading in its shares to the Exchange's markets under MB Rule 19C.13; (ii) the consequences of receiving a Migration Exchange Notice; (iii) the Migration Grace Period; (iv) its obligation to make necessary arrangements for compliance with all Listing Rules applicable to a dual-primary listing upon the expiry of the Migration Grace Period and the consequences of failure to do so; (v) any specific waiver previously granted that will cease to apply, or be withdrawn, upon the expiry of the Migration Grace Period; (vi) where applicable, its intention to apply for any waiver following the expiry of the Migration Grace Period, which the Exchange may or may not grant; (vii) the potential impact on shareholders and investors of any transitional measures to be put in place during the Migration Grace Period; and (viii) the stock marker "S" will continue to apply until the expiry of the Migration Grace Period, and if the issuer is unable to comply with all Listing Rules applicable to a dual-primary listed issuer by that time, the stock marker will continue to apply until full compliance is achieved.

(d) During Migration Grace Period	The issuer should provide the Exchange with a monthly update report on its progress towards compliance with the Listing Rules that will apply to it upon the expiry of the Migration Grace Period.
(e) Before the expiry of the Migration Grace Period	The issuer is required to publish an announcement to inform the market of the following: (i) the expiry date of Migration Grace Period; (ii) the issuer is able to comply with all Listing Rules applicable to a dual-primary listed issuer upon the expiry of the Migration Grace Period, and the timing of disapplication of the stock marker "S". Where the issuer is unable to comply with all applicable Listing Rules by that time, it should refer to paragraph 26(a) below for further details; (iii) where applicable, details of any continuing transactions that will continue to be exempt pursuant to Note 3 to MB Rule 19C.13 (see paragraph 13(b)(i) above); and (iv) where applicable, details of any waiver granted, including the conditions and bases for such waiver.

(2) Primary Conversion

20. A secondary listed issuer must apply to the Exchange in writing for Primary Conversion (**Primary Conversion Application**), together with any waiver applications.[14]

21. Following its review, the Exchange will issue an acknowledgement (**Primary Conversion Exchange Acknowledgment**) informing the issuer that, upon the effective date of the Primary Conversion, it will be regarded as having a dual-primary (rather than secondary) listing on the Exchange and the stock marker "S" will be disapplied.

22. General procedures and obligations of the issuer are set out below:

For a secondary listed issuer seeking a Primary Conversion	
(a) Application for Primary Conversion	The Primary Conversion Application should contain: (i) the expected effective date, upon which the issuer must be able to comply with all Listing Rules applicable to it as a dual-primary listed issuer; and (ii) the detailed plan and arrangements for compliance with the applicable Listing Rules. The issuer should also submit any waiver application, where applicable.
(b) Upon receipt of the Primary Conversion Exchange Acknowledge-ment	The issuer must publish an announcement as soon as practicable to inform the market of the following: (i) the reasons for the Primary Conversion; (ii) the expected effective date of the Primary Conversion; (iii) its obligations to make necessary arrangements for compliance with all applicable Listing Rules following the Primary Conversion and the consequences of failure to do so;

14 If the waiver application cannot be submitted together with the Primary Conversion Application, the issuer should submit it without delay to allow sufficient time for the Exchange's consideration.

	(iv) where applicable, any specific waiver previously granted that will cease to apply, or be withdrawn, upon the Primary Conversion; (v) where applicable, any application for waiver following the Primary Conversion, which the Exchange may or may not grant; and (vi) the potential impact on shareholders and potential investors of any transitional measures to be implemented before the effective date. The issuer should keep the Exchange informed of its progress towards compliance with the Listing Rules that will apply upon the effective date.
(c) Before the effective date of the Primary Conversion	The issuer must publish an announcement to inform the market of the : (i) the effective date of the Primary Conversion; (ii) the issuer is able to comply with all Listing Rules applicable to a dual-primary listed issuer upon the effective date of the Primary Conversion and the disapplication of the stock marker “S” on the effective date. Where the issuer is unable to comply with all applicable Listing Rules by that time, it should refer to paragraph 26(b) below for further details; and (iii) where applicable, details of any waiver granted, including the conditions and bases for such waiver.

(3) Overseas De-listing

23. A secondary listed issuer that plans a voluntary Overseas De-listing, or reasonably expects an involuntary de-listing from the Recognised Stock Exchange of its primary listing, should notify the Exchange in writing (**Overseas De-listing Issuer Notification**) as soon as practicable[15], together with any waiver application.[16] In general, the Exchange will not normally grant any grace period to De-listing Issuers for compliance in respect of those Listing Rules that have not been previously waived for issuers having a sole primary listing on the Exchange.

24. Following its review, the Exchange will issue an acknowledgment (**Overseas De-listing Exchange Acknowledgment**) informing the issuer that, upon the effective date of the Overseas De-listing, it will be regarded as having a primary (rather than secondary) listing on the Exchange and the stock marker “S” will be disapplied.

15 For a secondary listed issuer with primary listing on an exchange in the US, such notification should be submitted to the Exchange as soon as practicable and before the first filing of Form 8K (domestic issuer) / 6K (foreign private issuer) with the US Securities and Exchange Commission which formally announces the potential de-listing.

16 If the waiver application cannot be submitted together with the Overseas De-listing Issuer Notification, the issuer should submit it without delay to allow sufficient time for the Exchange’s consideration.

25. General procedures and obligations of the issuer are set out below:

A secondary listed issuer undergoing an Overseas De-listing	
(a) As soon as the issuer starts to plan, or otherwise reasonably expects the Overseas De-listing	The Overseas De-listing Issuer Notification should contain: (i) whether it is a voluntary Overseas De-listing, or a potential involuntary Overseas De-listing (with basis of such expectation); (ii) the expected effective date, upon which the issuer must be able to comply with all Listing Rules applicable to it as a primary listed issuer; and (iii) the detailed plan and arrangements for compliance with the applicable Listing Rules. The issuer should also submit any waiver application, where applicable.
(b) As soon as possible and not later than the announcement of its Overseas De-listing	The issuer must announce its forthcoming Overseas De-listing in accordance with its general obligation under MB Rule 13.09 and no later than the announcement of this information on the Recognised Stock Exchange of its primary listing.[15] The announcement should include: (i) the reasons for the Overseas De-listing; (ii) the expected effective date; (iii) its obligation to make necessary arrangements for compliance with all applicable Listing Rules following the Overseas De-listing and the consequences of any failure to do so; (iv) where applicable, any specific waiver previously granted that will cease to apply, or be withdrawn, upon the Overseas De-listing; (v) where applicable, any application for waiver following the Overseas De-listing, which the Exchange may or may not grant; and (vi) the potential impact on shareholders and potential investors of any transitional measures to be put in place before the Overseas De-listing becomes effective. The issuer should keep the Exchange informed of its progress towards compliance with the Listing Rules that will apply upon the effective date.
(c) Before the effective date of the Overseas De-listing	The issuer must publish an announcement to inform the market: (i) the effective date of the Overseas De-listing; (ii) the issuer is able to comply with all Listing Rules applicable to a primary listed issuer upon the effective date of the Overseas De-listing and the disapplication of the stock marker “S” on the effective date. Where the issuer is unable to comply with all applicable Listing Rules by that time, it should refer to paragraph 26(b) below for further details; (iii) where applicable, details of any waiver granted, including the conditions and bases for granting such waivers; (iv) (in the case of involuntary Overseas De-listing) where applicable, details of any continuing transactions that will continue to be exempt pursuant to Note to MB Rule 19C.13A (see paragraph 13(b)(i)); and

	(v) where applicable, the procedures for converting depositary receipts/ shares originally traded on its overseas exchange of primary listing to ordinary shares trading in Hong Kong.

E. Failure to comply with applicable Listing Rules upon a Change of Listing Status

26. The consequences of failure to fully comply with the applicable Listing Rules upon a Change of Listing Status are set out below:

(a) Migration

(i) The issuer will be subject to the Listing Rules applicable to a dual-primary listed issuer, but the stock marker "S" will continue to apply until all rectification measures have been completed and the issuer is in full compliance with the Listing Rules.

(ii) Where the issuer is unable to fully comply with the applicable Listing Rules upon the expiry of the Migration Grace Period:

- the Exchange may, on a case-by-case basis, exercise its discretion to: extend the grace period under a time relief waiver from the relevant rules; suspend trading in the issuer's shares; impose other measures as it considers necessary to protect investors and maintain an orderly market; or take disciplinary actions in respect of any non-compliance(s);

- the issuer should inform the market by:

  - disclosing in the announcement published before the expiry of the Migration Grace Period:

    - details of its non-compliance(s) and the continued application of the stock marker "S"; and

    - the progress of the rectification and the additional time required for full compliance with the specific Listing Rules; and

  - publishing further announcement(s) to update the market on its compliance status, the grant and the expiry of any extended grace period, and the disapplication of the stock marker "S" once all rectification measures have been completed and the issuer is in full compliance with the Listing Rules.

(b) Primary Conversion / Overseas De-listing

(i) The Exchange may require the issuer to *delay the effective date* of Primary Conversion or Overseas De-listing, in which case the issuer must publish an announcement on a timely basis.

This is because the issuer is expected to submit its application or notification only if it considers itself able to comply with all applicable Listing Rules upon the Change of Listing Status becoming effective. This is particularly crucial for an issuer contemplating Overseas De-listing, as it will no longer be subject to the rules and regulations of the Recognised Stock Exchange on which it was originally primary listed

(ii) The Exchange will consider granting a grace period as a time relief waiver only in exceptional circumstances.[17] If a grace period is granted:

- the stock marker "S" will be disapplied upon the Primary Conversion or Overseas De-listing becoming effective. The Exchange may instead apply *the stock marker "TP"* to the issuer's stock short name, where the Exchange considers necessary taking into account the nature and the materiality of the non-compliance with the Listing Rules during the grace period.

  The purpose of the "TP" stock marker is to inform investors that such an issuer, while classified as primary listed, is under transitional arrangements for compliance with the applicable Listing Rules;

- the length of any grace period granted will be determined on a case-by-case basis, considering the additional time reasonably required to comply with the relevant Listing Rules; and

- the issuer should inform the market by:

  - disclosing in its announcement published before the effective date of the Primary Conversion or Overseas De-listing:
    - the conditions and bases for granting the grace period and the specific Listing Rules to which the grace period has been granted;
    - the length of the grace period,
    - the progress of the rectification; and
    - where applicable, the application of the stock marker "TP";

  - publishing further announcement(s) on:
    - its compliance status;
    - the expiry of the grace period; and
    - where applicable, the disapplication of the stock marker "TP" once all rectification measures have been completed and the issuer is in full compliance with the Listing Rules; and

(iii) if the issuer is still unable to fully comply with any applicable Listing Rule upon the expiry of the grace period, the Exchange may, on a case-by-case basis, exercise its discretion to: extend the grace period; suspend trading of such issuer's shares; and/or impose other measures as it considers necessary to protect investors and maintain an orderly market.

If any extended grace period is granted under a time relief waiver, the issuer should publish an announcement upon the grant and expiry of such extended grace period, informing the shareholders and the investors of its status of compliance.

[17] For example:
(a) changes to the corporate structure for full compliance with the corporate governance requirements under the Listing Rules upon the Primary Conversion or Overseas De-listing may require shareholders' approval, and the issuer can demonstrate that (i) there is imminent price sensitivity concern arising from issuing the circular and notice of meeting prior to the issuer's announcement of the Change of Listing Status; and (ii) delay of the effective date is impracticable; and

(b) in the case of an involuntary Overseas De-listing, the issuer was delisted from the Recognised Stock Exchange of its primary listing by the overseas regulator at short notice.

Appendix
Summary of Change of Listing Status from Secondary Listing to Primary Listing

<table>
<tr><th></th><th>Migration</th><th>Primary Conversion</th><th>Overseas De-listing (involuntary)</th><th>Overseas De-listing (voluntary)</th></tr>
<tr><td>Change of Listing Status Timing
(i.e. when the issuer becomes a dual-primary or primary listed issuer)</td><td>Dual-primary listed upon the expiry of Migration Grace Period</td><td>Dual-primary listed upon the effective date of Primary Conversion</td><td colspan="2">Primary-listed upon the effective date of Overseas De-listing</td></tr>
<tr><td colspan="5">General effect of a Change of Listing Status</td></tr>
<tr><td>Exemptions and waivers available to the issuer by virtue of its secondary listing status</td><td>Disapply upon the expiry of Migration Grace Period</td><td>Disapply upon the effective date of Primary Conversion</td><td colspan="2">Disapply upon the effective date of Overseas De-listing</td></tr>
<tr><td>Stock marker</td><td>Stock marker “S” disapplied only when the issuer is in full compliance with applicable Listing Rules</td><td>- Stock marker “S” disapplied from the effective date of Primary Conversion

- Stock marker “TP” applied if required by the Exchange, until the issuer fully complies with the specific Listing Rules</td><td colspan="2">- Stock marker “S” disapplied from the effective date of Overseas De-listing

- Stock marker “TP” applied if required by the Exchange, until the issuer fully complies with the specific Listing Rules</td></tr>
</table>

	Migration	Primary Conversion	Overseas De-listing (involuntary)	Overseas De-listing (voluntary)
Transitional arrangements and specific exemptions for issuers subject to a Change of Listing Status				
Continued use of alternative overseas financial reporting standards				
Issuer listed in the US adopting US GAAP	✓ (continued use of US GAAP)			
Issuer incorporated in EU adopting EU-IFRS	✓ (continued use of EU-IFRS)			
Issuer adopting other alternative overseas standards	✓ (continued use of alternative overseas standard)	✓ (continued use of alternative overseas standard)	✗ (required to revert to IFRS or HKFRS)	
Exemption from notifiable and connected transaction requirements				
Three-year exemption for continuing transactions	✓ (continuing transactions entered into before the beginning of the Migration Grace Period, and continuing after the Change of Listing Status)	✗ (no exemption)	✓ (continuing transactions entered into before the submission of Overseas De-listing Issuer Notification, and continuing after the Change of Listing Status)	✗ (no exemption)
Retain WVR / VIE structures				
Non-compliant WVR and/or VIE structures of a Grandfather Greater China Issuer or Non-Greater China Issuer (in effect at the time of listing on the Exchange)	✓ (permitted to retain)			