

**Public float*****Basis for Calculation of Public Float Percentage***

- 1. In the case of a PRC issuer whose domestic shares are quoted on NEEQ, will the domestic shares held by public shareholders be counted towards the PRC issuer's public float under the Listing Rules?**

No. Only listed H-shares held by members of the public are counted towards the PRC issuer's public float under the Listing Rules. For the avoidance of doubt, when calculating the percentage of public float, the total number of issued shares in the class to which H shares belong (excluding treasury shares) of the PRC issuer (i.e. denominator) refers to all shares in issue including H shares and domestic shares but excluding treasury shares.

*MB Rules 19A.28A(2) and 19A.28B(1)*

*GEM Rules 25.21A(2) and 25.21B(1)*

*First released: September 2019; last updated: December 2025*

***Ongoing Public Float Thresholds***

- 2. Under MB Rule 13.32B / GEM Rule 17.37B, a listed issuer must ensure there is an open market in the shares listed on the Exchange, which will normally mean that a portion of the class of shares listed on the Exchange and held by the public must, at all times, represent at least the Initial Prescribed Threshold or, alternatively, the Alternative Threshold.**

**Can a listed issuer change its reliance to the Alternative Threshold while it is still in compliance with the Initial Prescribed Threshold?**

No. The Exchange expects a listed issuer to change its reliance from the Initial Prescribed Threshold to the Alternative Threshold only if, upon completion of certain corporate actions or other events, its public float falls below the Initial Prescribed Threshold. In such circumstances, the issuer must, as soon as practicable, publish an announcement containing the reasons for the change (including the relevant corporate actions or events that caused the public float percentage to fall below the Initial Prescribed Threshold), together with a statement setting out the market value and percentage of its public float as at the latest practicable date.

As stated in the Conclusions and Further Consultation Paper on the Proposals to Optimise IPO Price Discovery and Open Market Requirements (the **Conclusions and Further Consultation Paper**) published in August 2025, the objective of introducing the Alternative Threshold is to provide issuers that have a large market capitalisation with greater flexibility to manage their capital structure, such that a transaction can be conducted even if it may result in the public float percentage falling below the Initial Prescribed Threshold. It is not intended to replace the Initial Prescribed Threshold if the issuer can continue to comply with it.

*MB Rules 13.32B and 13.32C  
GEM Rules 17.37B and 17.37C  
First released: February 2026*

3. **Under MB Rule 13.32B(1) / GEM Rule 17.37B(1) (effective on 1 January 2026), the Initial Prescribed Threshold means either: (a) 25% of the issuer's total number of issued shares in that class of shares; or (b) any lower minimum percentage of public float prescribed at the time of listing under MB Rule 8.08(1) / GEM Rule 11.23(7).**

**Where a listed issuer has been granted a waiver from the 25% public float requirement prior to 1 January 2026 to maintain a lower minimum percentage of public float after listing, can it continue to rely on such lower minimum percentage as the Initial Prescribed Threshold for the purpose of compliance with the new Rules?**

Yes. As stated in the Conclusions and Further Consultation Paper, public float waivers previously granted to individual issuers for a lower minimum percentage threshold will continue to apply.

*MB Rule 13.32B / GEM Rule 17.37B  
First released: February 2026*

### **Public Float Shortfalls**

4. **A listed issuer must include, in each monthly return and annual report, a statement confirming its compliance with the public float requirement under MB Rule 13.32B / GEM Rule 17.37B, or an appropriate negative statement.**

**If a listed issuer has obtained a temporary waiver pursuant to MB Rule 13.33(1) / GEM Rule 17.38B(1) for a public float shortfall following the completion of a general offer under Takeovers Code, is the issuer still required to include a statement of non-compliance with the public float requirement in each monthly return and annual report during the waiver period and prior to the public float being restored?**

Yes. As the waiver granted under MB Rule 13.33(1) / GEM Rule 17.38B(1) is a timing-relief only, the issuer is required to restore its public float within the period as agreed under the waiver and observe the disclosure obligations (including details of the public float shortfall and the timing-relief waiver granted) and other requirements applicable to issuers with a public float shortfall until it re-complies with the public float requirement.

*MB Rules 13.32B, 13.32D and 13.33  
GEM Rules 17.37B, 17.37D and 17.38B  
First released: February 2026*

5. **Under MB Rule 13.32E(2) / GEM Rule 17.37E(2), for so long as a listed issuer remains non-compliant with MB Rule 13.32B / GEM Rule 17.37B, the issuer is required to publish a monthly announcement to update the status of its public float and the restoration plan. If a listed issuer with public float shortfall has been suspended for trading for other reasons, it is also required to publish quarterly announcements to update the market on its developments after trading suspension pursuant to MB Rule 13.24A / GEM Rule 17.26A. Can the issuer include all relevant information in one quarterly update announcement given the details may cover similar facts concerning the issuer?**

Yes. As stated in the Conclusions and Further Consultation Paper, the additional disclosure requirements applicable to listed issuers with a public float shortfall serve to enhance transparency by keeping the market informed of the issuer's public float status and demonstrate that the issuer is taking prompt and active steps to restore its public float.

Where a listed issuer with public float shortfall has been suspended for trading for other reasons, in addition to restoring the public float shortfall, the issuer is also required to address the issue(s) giving rise to the trading suspension and satisfy the resumption conditions or guidance imposed by the Exchange before trading can resume. Given that additional time is required to devise a restoration plan to fulfil all other resumption conditions or guidance imposed to it, it is acceptable for the issuer to provide a quarterly update of its public float status and restoration plan together with updates on other developments after trading suspension as required under MB Rule 13.24A / GEM Rule 17.26A. All such information can be set out in a single announcement, which must be published at least on a quarterly basis.

Further, given that trading of the issuer's securities has been suspended, the requirement to include a warning statement for investors to exercise caution when dealing in the securities in any listing document, circular, announcement or notice under MB Rule 13.32G(2) / GEM Rule 17.37G(2) is not applicable.

*MB Rules 13.24A, 13.32B, 13.32E(2) and 13.32G(2)  
GEM Rule 17.26A, 17.37B, 17.37E(2) and 17.37G(2)  
First released: February 2026*