



Modernising Hong Kong's IPO settlement process

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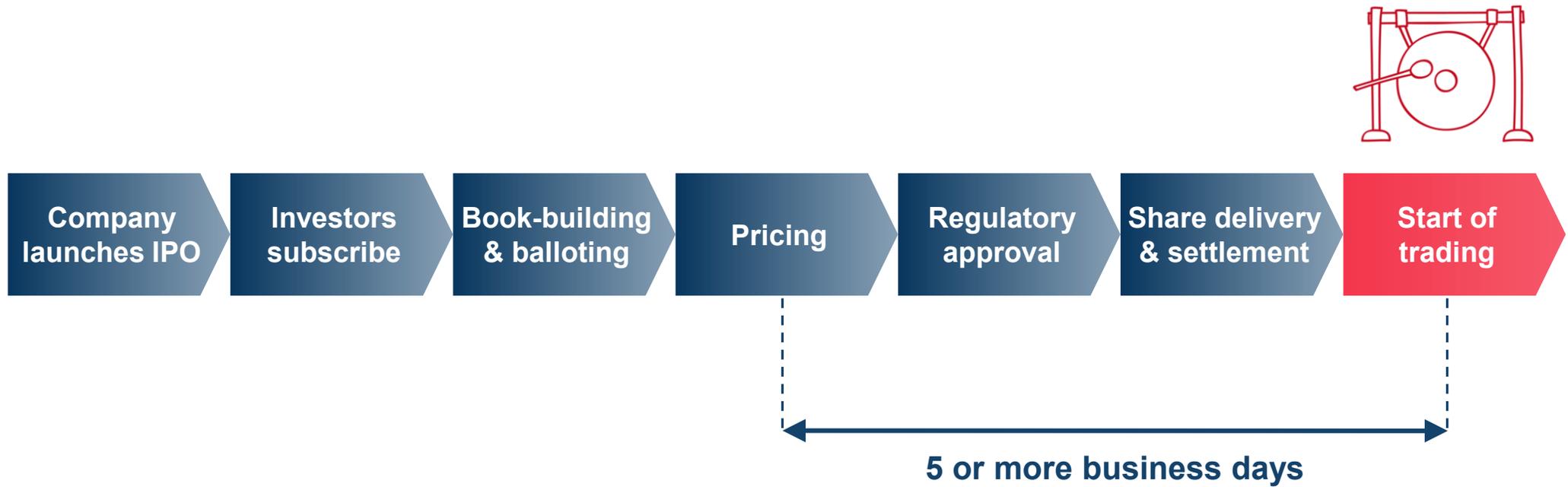
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What is IPO settlement?

The activities that take place in the days leading up to a new Hong Kong listing:



What are we proposing?



Reduce how long it takes

less market risk for investors and issuers



Simplify the complexity

a more efficient and logical process



Embrace digital change

robust technology to serve our market well into the future

An important reform to maintain Hong Kong's global leadership as a competitive listing venue





FINI is a new web-based service from HKEX

It allows market participants and regulators to work together seamlessly and digitally throughout Hong Kong IPO settlement



FINI: the main changes for Hong Kong IPOs

- 1 | End-to-end IPO settlement in one place**
- 2 | Improved workflows and interactions**
- 3 | Going paperless but staying inclusive**
- 4 | Liquidity relief for the market**



1 | End-to-end IPO settlement in one place

- IPO reference data
- Subscription input
- Pricing confirmation
- Allotment information
- Regulatory reviews
- Settlement workflow
- Checks & confirmations
- ...

FINI

BIOTEXA (3758)
8.0 - 10.0
IPO Offer

Offering

Offering Type: Global Offer	Trading Currency: HK\$
Build-up Share Lot: 500	Number of Shares Publicly Trading (Shareholders): 75,000,000
Offer Price (HK\$): 8.000	Other Fees (HK\$): 10.000
Cashback Threshold: 1, 15, 50, 100	Public Offer Allocation: 10.00%, 30.00%, 40.00%, 50.00%
Public Offer Re-allocation Cap: 20.00%	Price Flexibility: 0.00
Over-allocation Option: 15.00%	Under-Option: 20.00%
Number of Offer Shares: 75,000,000	Number of Public Offer Shares: 7,500,000
Number of non-public offer shares: 27,500,000	

Advisers

Adviser Type	Adviser Name
Sponsor	GZ Securities
Sponsor	Principal and Partners Securities
Principal Lead Broker	Elite Frontier Securities
Distributor	I-Return Securities
Distributor	Greycorpen Securities
Distributor	YLS Asia Capital
HK Share Registrar	Conglomerate Registrar Services

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Market participants

Retail Brokers **IPO Sponsors**

Share Registrars **Underwriters/Distributors**

Regulatory authorities

SEHK Listing Division **SFC**

Market participants and regulators can manage all Hong Kong IPO settlement activities on one common platform, as each deal progresses from launch to completion



2 | Improved workflows and interactions

IPO reference data

intelligent workflows

IPO status dashboards

FINI

BIOTEXA (3758)
8.0 - 10.0
IPO Status

- Pending
- Deal Initiated
- Public Offer Closed
- Allotment Confirmed
- Deal Final
- Trading Approved
- Trading Started

2020-12-05
Show Offer Data

DASHBOARD
IPO REFERENCE DATA

Offering

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dynamic reports

real time risk alerting

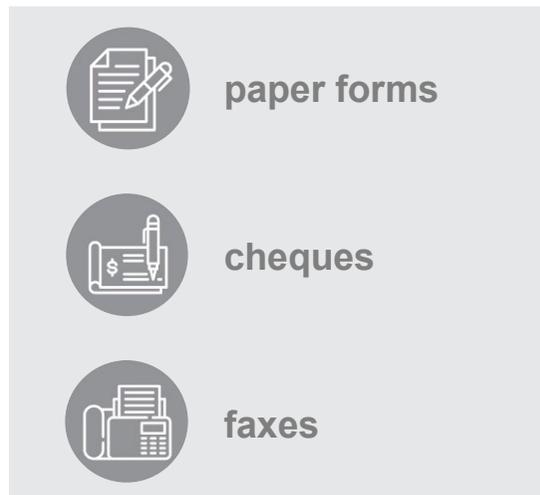
access from anywhere

Dozens of tasks will be streamlined or automated with FINI



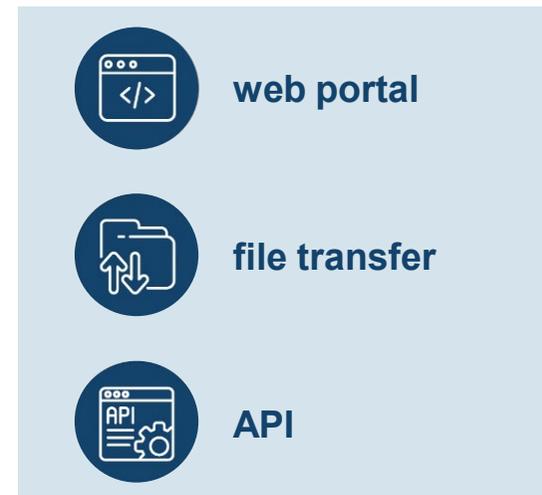
3 | Going paperless but staying inclusive

IN USE TODAY



Formal support for paper-based interactions will be discontinued

WITH FINI



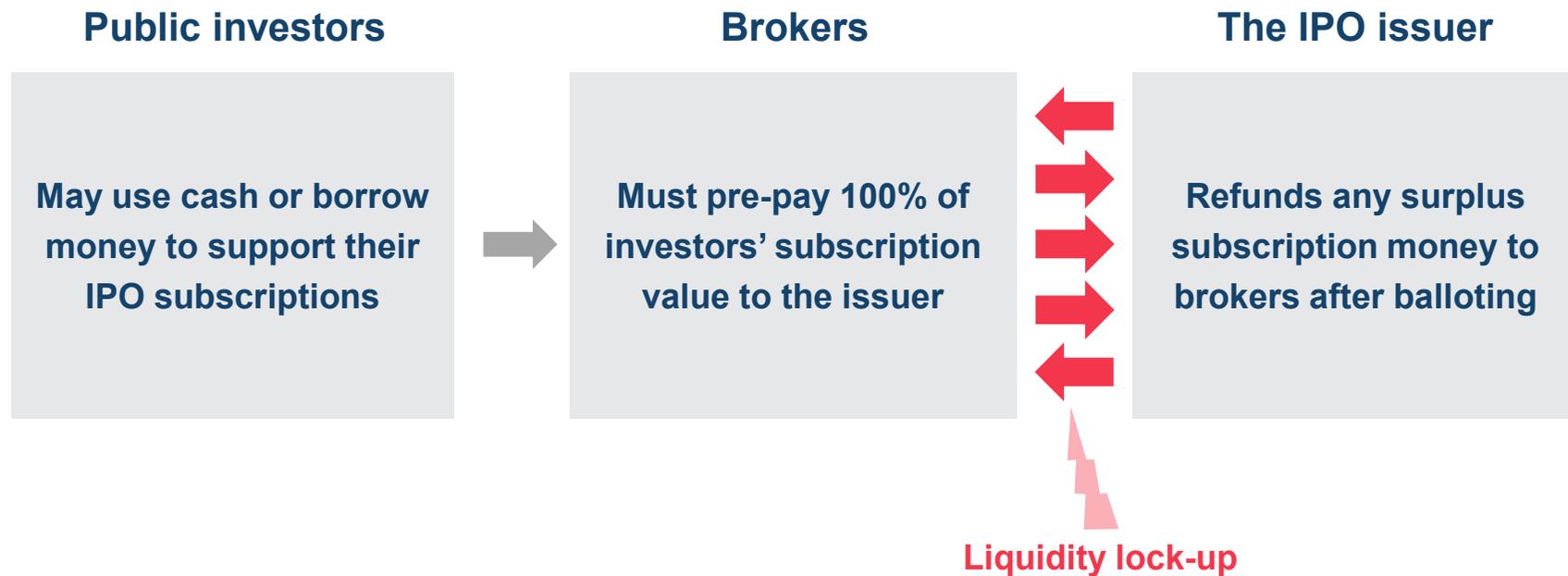
Market participants may interact with their clients however they like **as long as** the data is ultimately input into FINI in digital format

Embracing digital change in a way that works for everybody



4 | Liquidity relief for the market

Public offer subscriptions today:



Large amounts of liquidity are unnecessarily “locked up” during Hong Kong IPOs

4 | Liquidity relief for the market (cont.)

Public offer subscriptions with FINI:

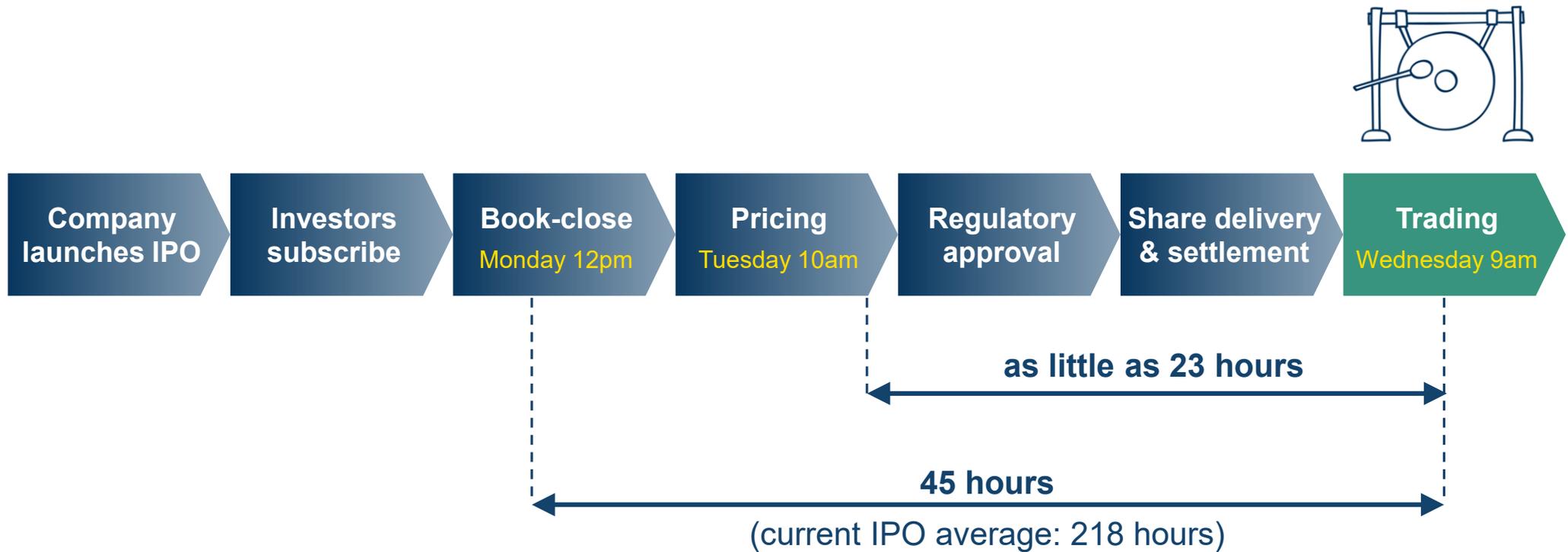


Innovative, balanced approach to address a long-standing inefficiency



Target T+1 timetable with FINI

IPO shares could start trading 70-80% faster than today:



The proposed timetable provides both speed and flexibility to issuers



Preserving the most important foundations

- **No fundamental changes to the roles & responsibilities of market participants**
Sponsors, underwriters, brokers, registrars continue to serve issuers and investors
- **No fundamental changes to Hong Kong's current listing regime**
Only certain Listing Rule changes of a primarily administrative nature are expected
- **Integrated with Hong Kong's securities market infrastructure**
Operated by HKSCC, FINI will be the entry point for new shares into CCASS

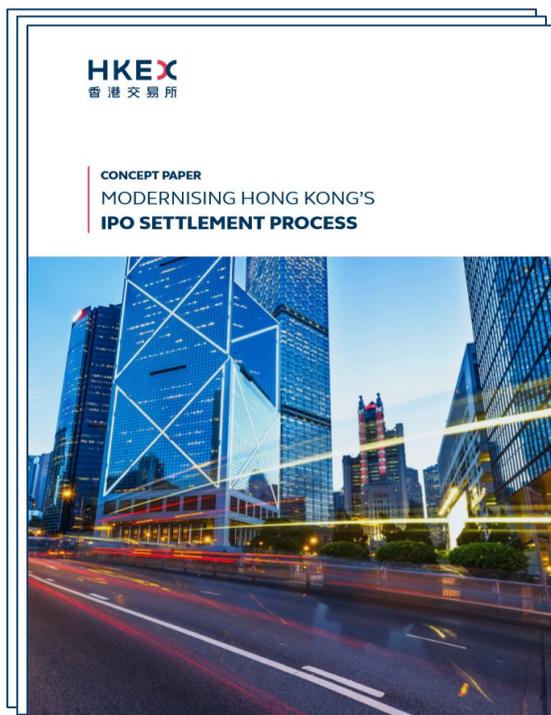
Moving the market forward while preserving our strengths



**What are the
next steps?**



Today, HKEX published a Concept Paper on FINI



Opportunity to give us your feedback

We are asking three questions:

- 1) Do you support the overall proposal?
- 2) Do you have any comments on specific aspects of the proposal or the functionality of the FINI platform?
- 3) Are there any aspects of the IPO process that are not featured in this proposal, but which you would like to see included as part of this reform?

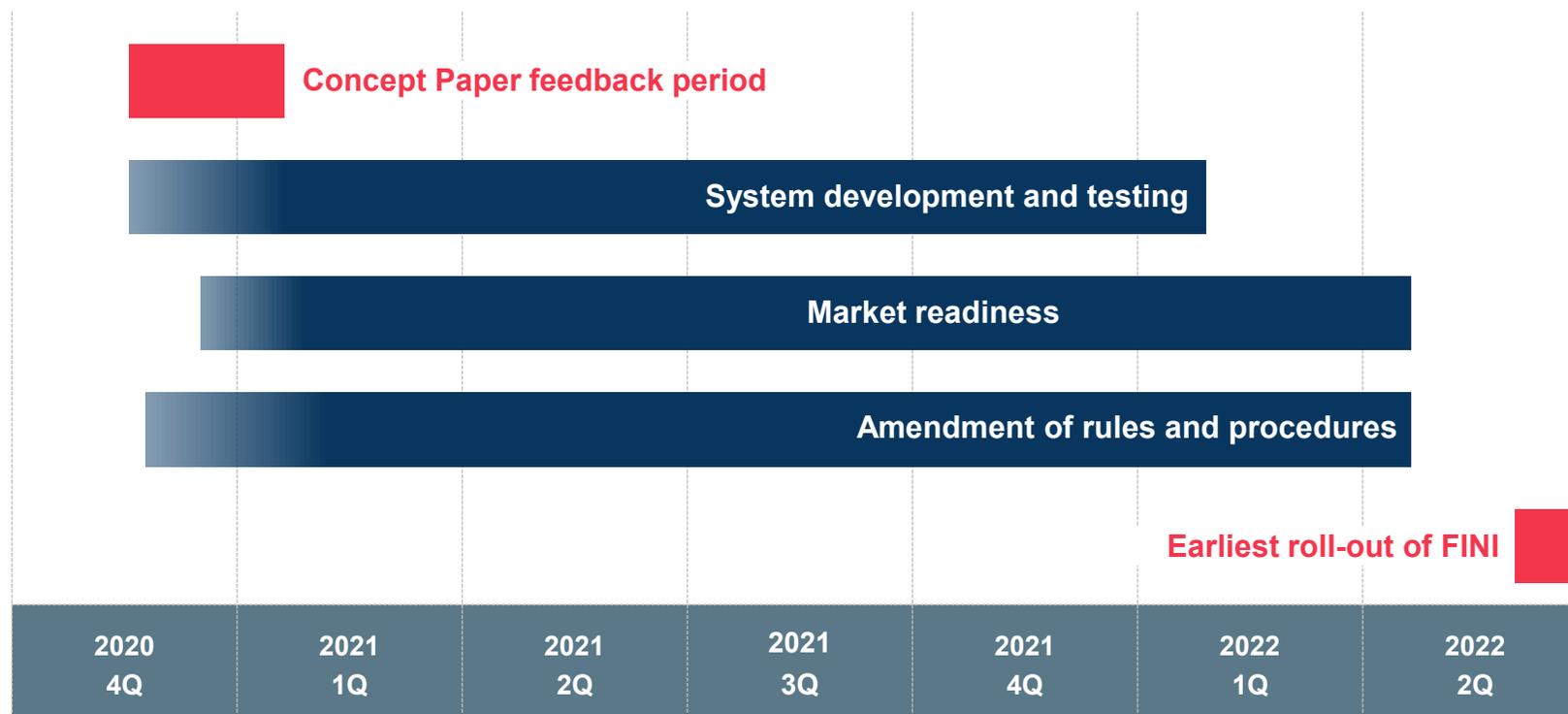
Deadline for responses: 15 January 2021

For details, please visit www.hkex.com.hk/fini



If the FINI proposal is supported by the market...

- Using FINI for settlement would become mandatory for all Hong Kong IPOs.
- To give the market sufficient time to prepare, we expect to launch FINI no earlier than the second quarter of 2022.



FINI in summary

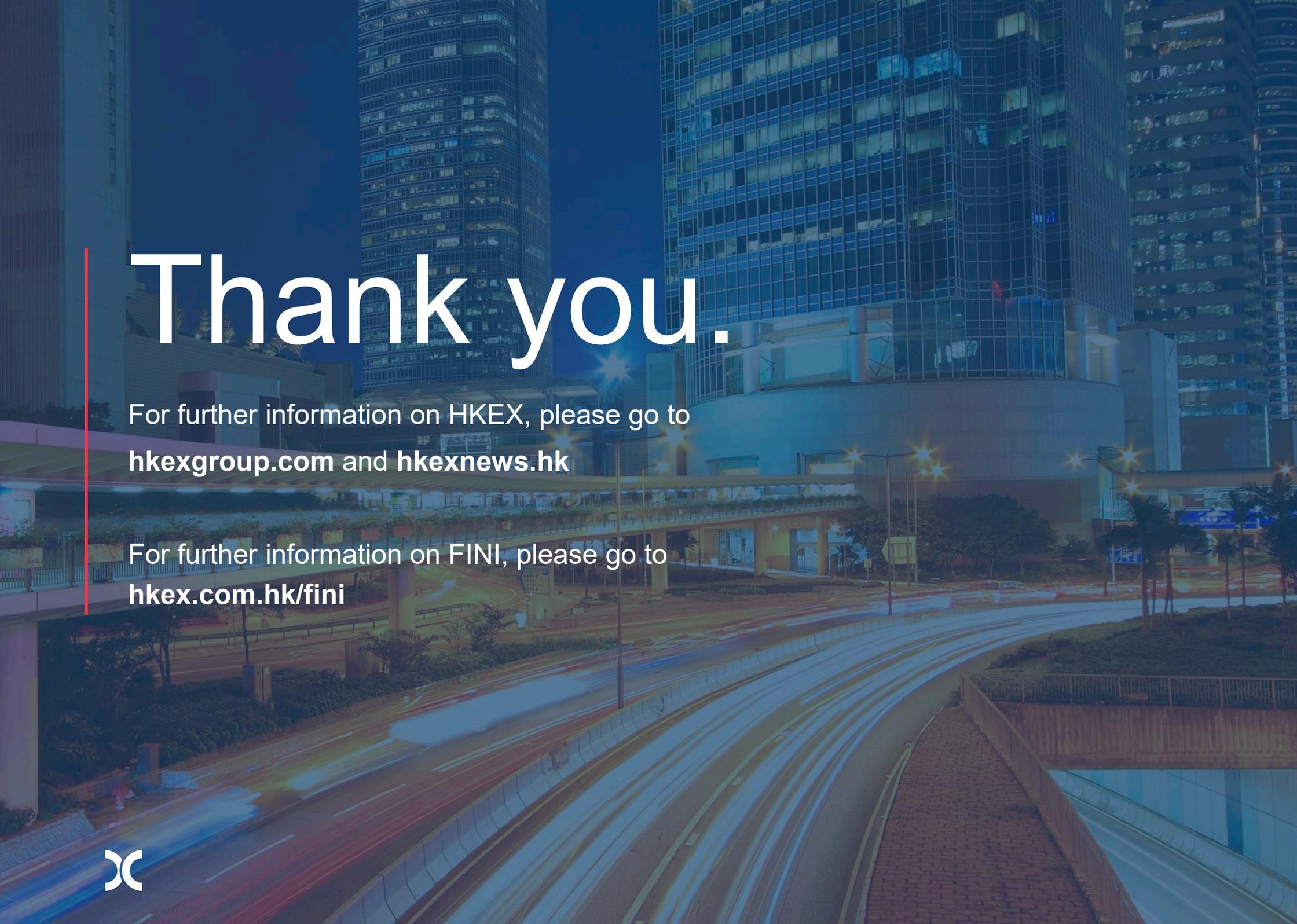
- **A comprehensive modernisation of Hong Kong's IPO settlement process, covering its logic, conventions and technology**
- **Benefits the whole market by making our IPO franchise more competitive, efficient, fair, robust and well-equipped for a digital future**
- **HKEX welcomes market feedback on the FINI Concept Paper until 15 January 2021.**



... Welcome questions

Q&A Session begins now



A nighttime cityscape featuring several tall skyscrapers with illuminated windows. In the foreground, a multi-lane highway interchange is visible, with light trails from moving vehicles. The overall scene is bathed in a cool blue light.

Thank you.

For further information on HKEX, please go to
hkexgroup.com and hkexnews.hk

For further information on FINI, please go to
hkex.com.hk/fini

