

FiNI

IPO settlement platform

Modernising Hong Kong's
IPO Settlement Process

Listing Division

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December 2020

What is FINI ?



Objectives of FINI



Reduce HK IPO settlement time to as short as T+1
less market risk for investors & issuers



Going paperless, stay inclusive and embrace digital change
a more efficient process and robust technology for the future



Liquidity relief for the market
reduce interbank money movement

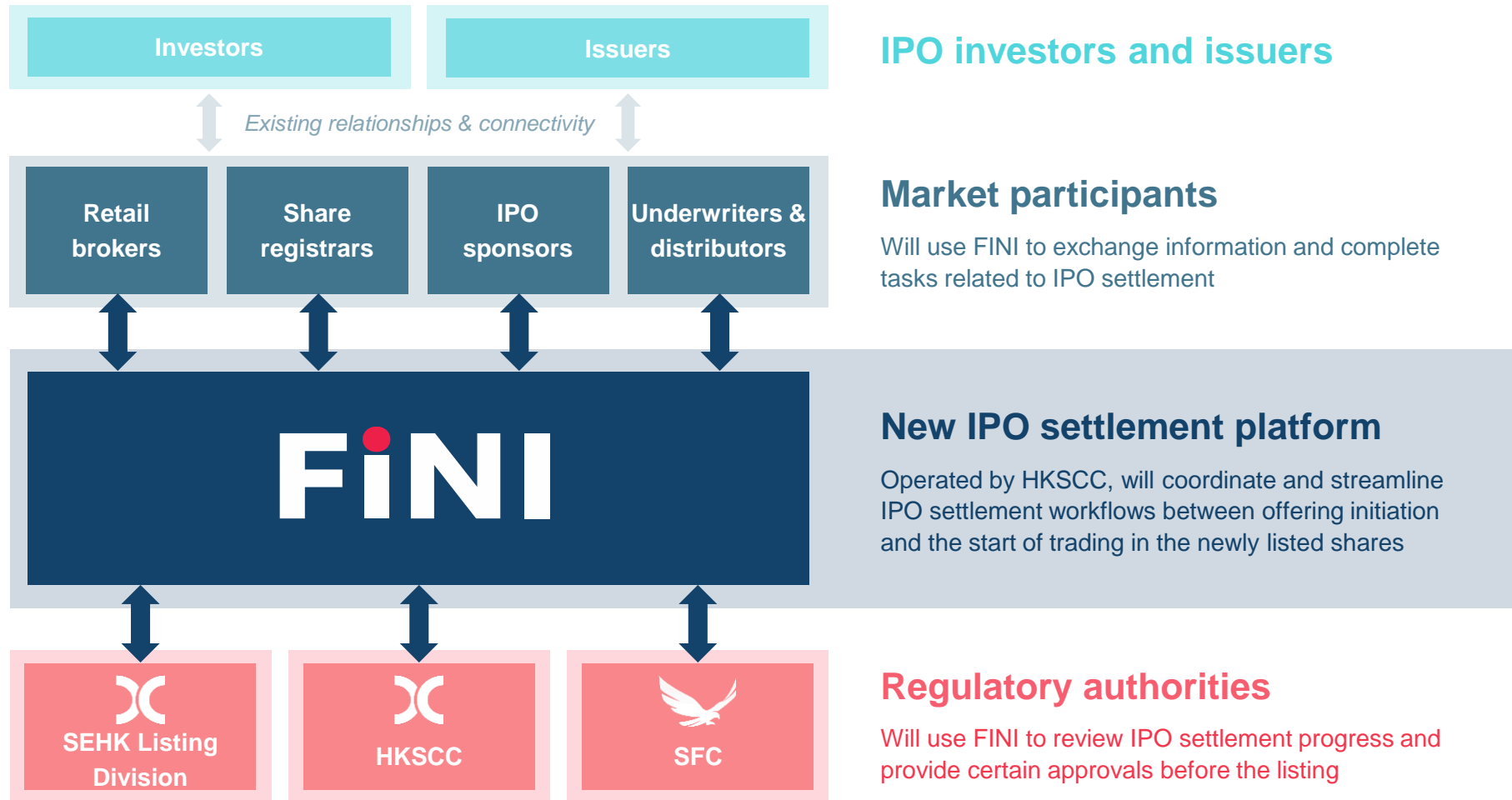
Agenda

- 1 | What is FINI
- 2 | How Will Impact Impact You
- 3 | The Way Forward

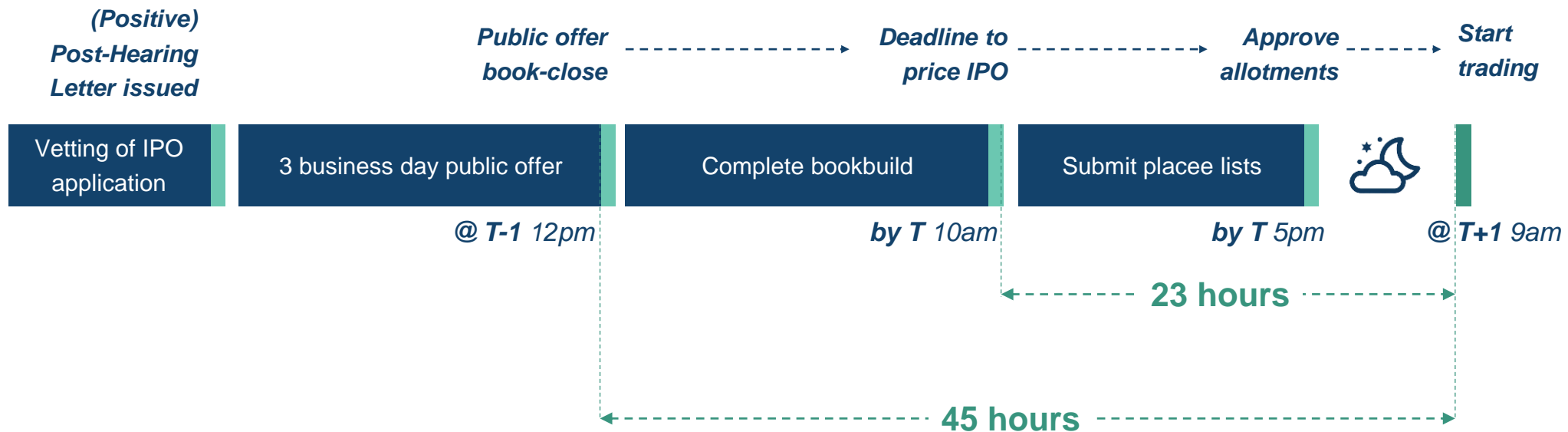


What is FINI

A new web-based service operated by HKEX



Timeframe of IPO settlement under FINI



From IPO price determined to commencement of trading	Current IPO settlement	FINI IPO settlement	 70 to 80%
	~ 5 days / 120 hours	~ 23 hours	

The proposed timetable provides both **SPEED** and **FLEXIBILITY** to issuers



Operations in one place & Golden Source of IPO Data

Operated by HKSCC

IPO reference data

Intelligent workflows

IPO status dashboards

Dynamic reports

Real time risk alerting

Access from anywhere

BIOTEXA (3758)
8.0 - 10.0
Price Range

Offering Type: Global Offer
Trading Board Lot: 500
Offer Price (HK\$): 8.000
Cashless Threshold: 1, 15, 50, 100
Price Range

Trading Currency: HK\$
Number of Shares Held by Existing Shareholders: 75,000,000
Offer Price (HK\$): 10.000
Public Offer Allocation: 10.00%, 30.00%, 40.00%, 50.00%
Price Priority: 0.00
Under-Subscription Option: 20.00%

Number of Offer Shares: 25,000,000
Number of Institutional Offer Shares: 22,500,000

Advisers

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

Market participants

Retail Brokers

IPO Sponsors

Share Registrars

Underwriters & Distributors

Regulatory authorities

SEHK (Listing Div.)

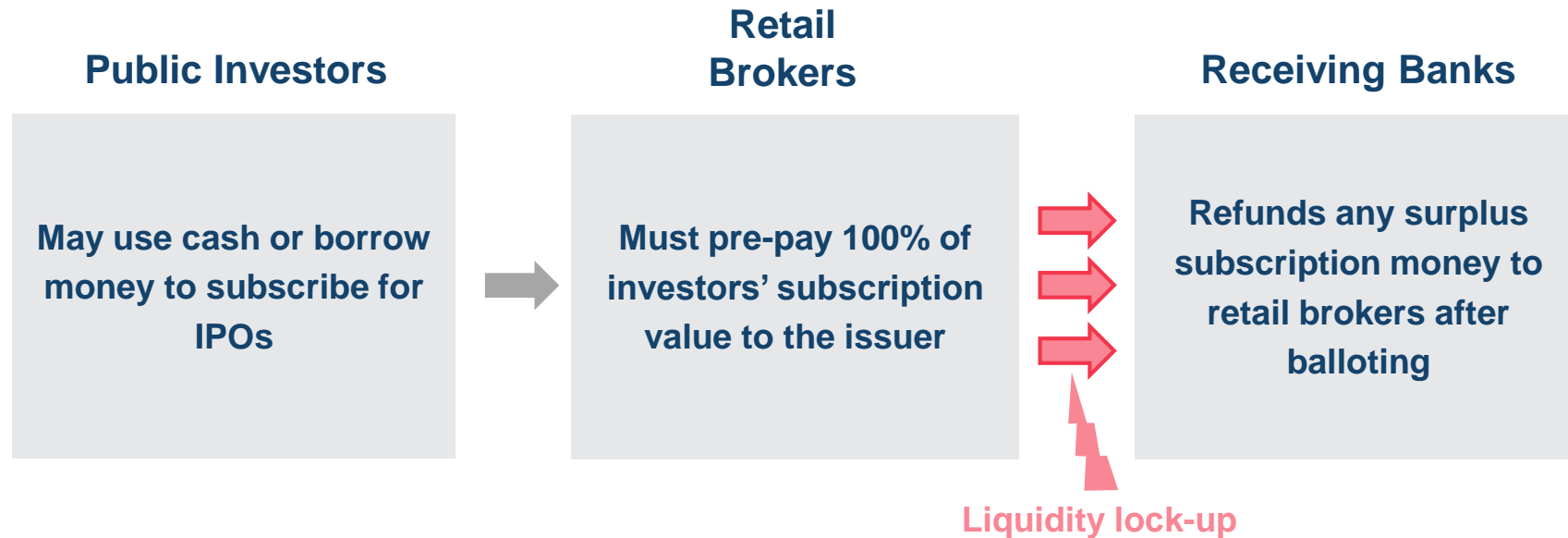
SFC (Corp. Fin.)

Tasks will be streamlined and automated under FINI



Liquidity relief for the market

Public offer subscriptions TODAY

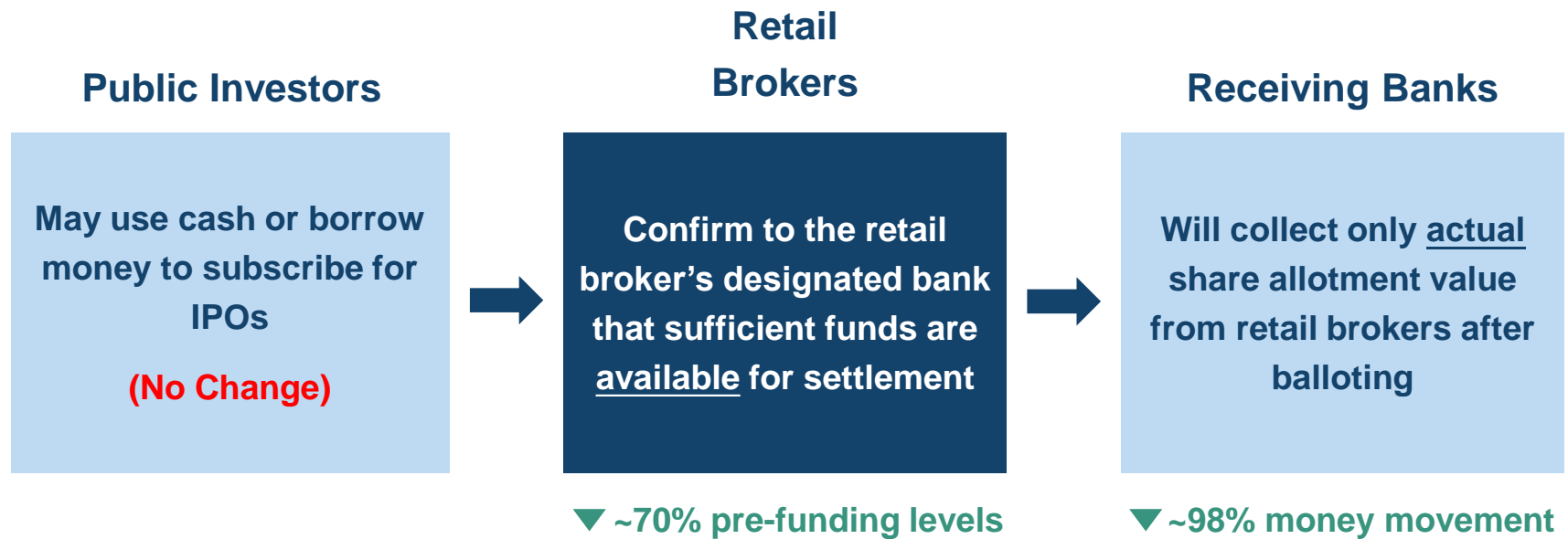


Large amounts of liquidity are unnecessarily “locked up” during Hong Kong IPOs



Liquidity relief for the market

Public offer subscriptions with FINI



How Will FINI Impact You?



How Will FINI Impact You?

Initiating the IPO settlement process on FINI after Listing Committee Hearing

Placee allocation and Placee lists

Regulatory Submission Review and Comment

Handling of concurrent IPOs for each user

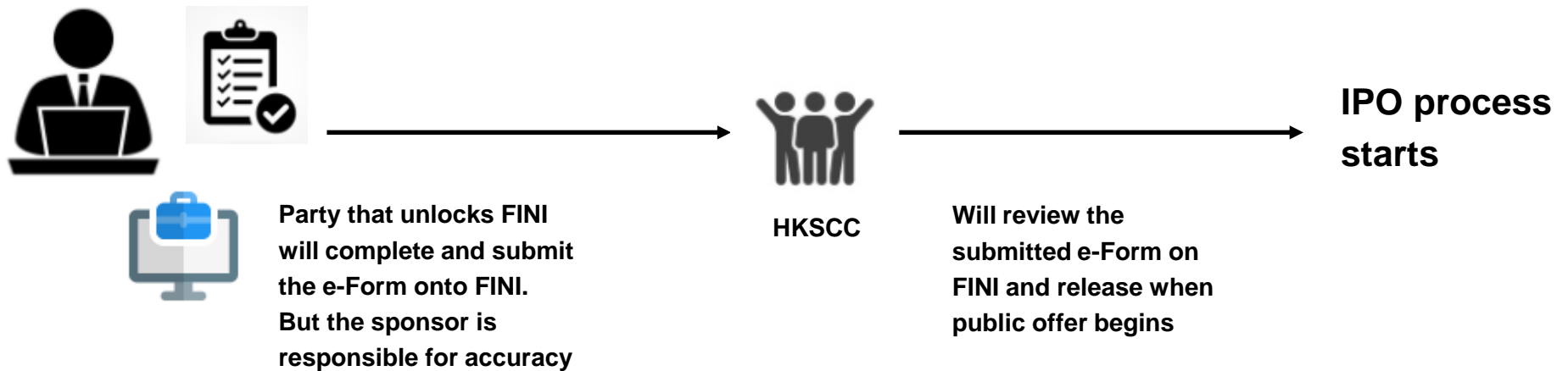
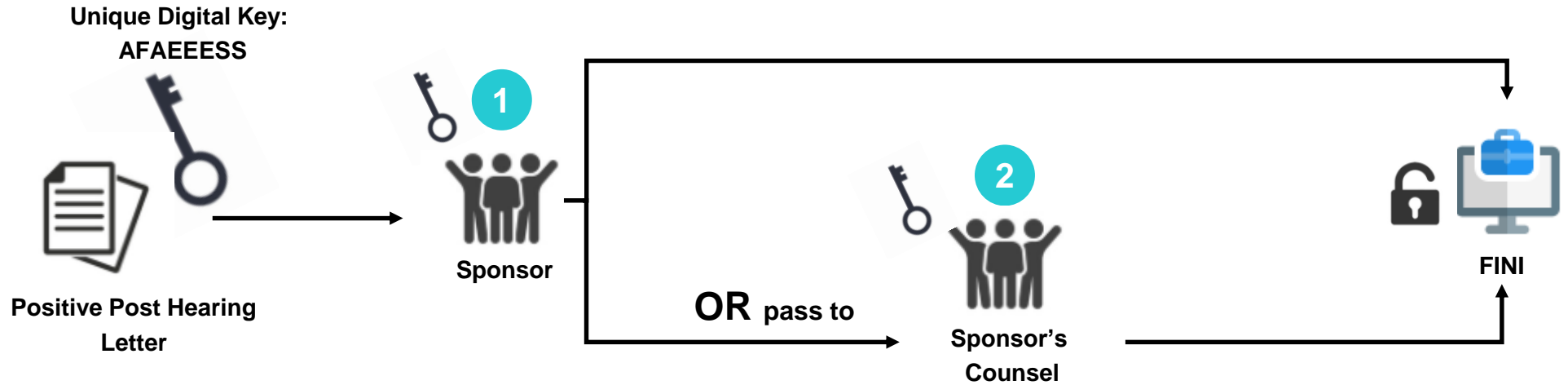
Ability to access real-time IPO Data



The following FINI interfaces and IPO workflows are in the design stage and are NOT FINAL



FINI IPO Initiation – Workflow



IPO Initiation – e-Form

IPO Reference Data

Company Information

Company Name (English Full)
Biotexa Limited

Company Name (English Short)

No Chinese Company Name

Company Name (Chinese Full)

Company Name (Chinese Short)

Stock Code

ISIN (Optional)

Place of Incorporation

Principal Place of Business in Hong Kong

Company's Full Name

Business Address Line 1

Business Address Line 2

Business Address Line 3

Company Logo (Optional)
JPEG / PNG only. File size limit: 10mb. Image aspect ratio of 3:2 for best results.

Contents

- Initial Information
- Company Information
- Listing
- Offering
- Advisers
- Timetable
- Preferential Offers
- Documents
- Transaction Costs

Save Submit



e-Form – IPO Reference Data

Offering

Offering Type Global Offer	Trading Currency HKD
Trading Board Lot 500	Number of Shares Held by Existing Shareholders 75,000,000
Offer Price (Min.) 8.0	Offer Price (Max.) 10.0
Clawback 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 10%
Over-allotment Option 15.00%	
Number of Offer Shares 25,000,000	
Number of Public Offer Shares 2,500,000	Number of Institutional Offer Shares 22,500,000

Contents

- Initial Information
- Company Information
- Listing
- Offering**
- Advisers
- Timetable
- Preferential Offers
- Documents
- Transaction Costs

The e-Form will have various sections

Total around 70 data fields to be completed by 9 am on the day public offer opens

Data fields will be blocked if not applicable.
 E.g. Listing by Introduction: Offering related info and certain advisers (e.g. distributors) will not needed to be filled in



IPO Initiation – e-Form

1

Disclosure/ information to FINI users

No paper subscription for retail investors to subscribe through brokers

2

Downstream workflow automation

FINI system calculation and pre-filling data fields on forms and templates

3

FINI as the golden source of Hong Kong IPO data

On a per IPO Basis



What will the Institutional Offering workflow look like?



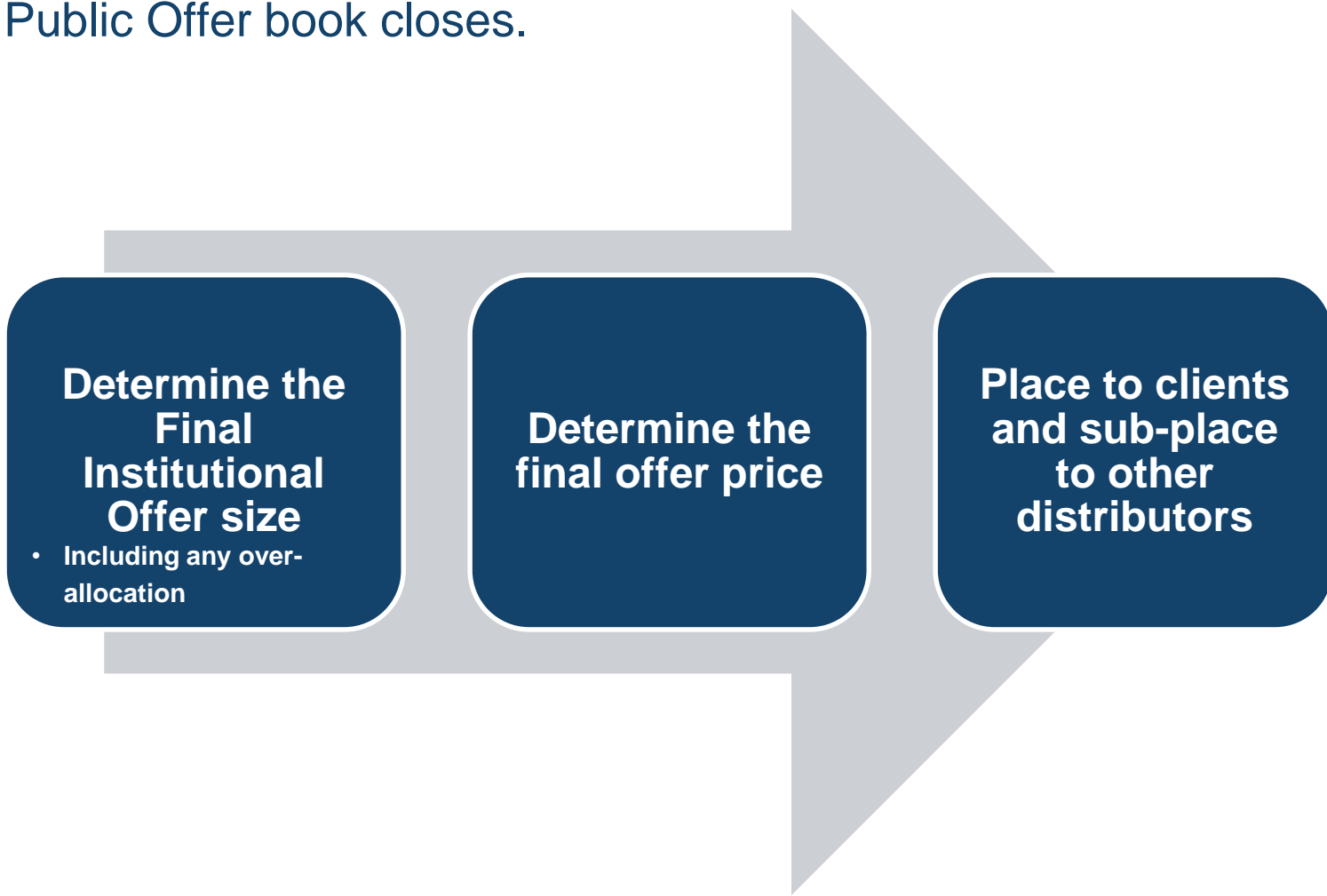
Institutional Offering – workflow

After the Public Offer book closes.

Clients/
Sub-distributors




Principal bookrunner/
lead broker
&
Underwriters



Control List – Overview of the placing network

←
Control List

View Comments
Submit



BIOTEXA – B (3758)

Deal Priced

HKD 10.0

Final Price

2020-12-18

Expected Listing Date

Distributor: Rosselyn
 Role: Principal Lead Broker/ Lead Underwriter
(number represent shares that the distributor placed to its own clients)

22,500,000

Total Institutional Offer Size (shares)

	1st Allocation	2nd Allocation	3rd Allocation	4th Allocation	Places	
Rosselyn	21,670,000				60	Sub place
Brydon & Conley		200,000			6	Remove Edit
Sully Porter		200,000			7	Remove Edit
Goodington			50,000		2	Remove Edit
Mannings			50,000		35	Remove Edit
Goodyears			0		0	Remove Edit
Buck Fox				20,000	9	Remove Edit
Burnett Lee				10,000	2	Remove Edit
Meador D		200,000			4	Remove Edit
Bobbs & Pake		100,000			3	Remove Edit
Total	21,670,000	700,000	100,000	30,000	128	

Dashboard

IPO Reference Data

Control List

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Placee Lists – FINI functions

Current – Common comments from regulators

1 Missing Information

E.g. 1: No beneficial owners for corporate placees

E.g. 2: No address

2 Incorrect Information

E.g. 1: Incorrect no. of allotted shares to placees

E.g. 2: HKID with 3 digits/ characters

3 Suspicious applications

E.g. 1: Multiple applications in
Retail subscription vs. Institutional tranche

FINI Functions

1 Completeness check

Cannot submit an incomplete placee list

2 Data Validation

Reconciliation of data

Information must be reasonable

3 De-duplications

Flag placees with subscription:

- Between retail and institutional tranches
- Within the institutional tranche



Placee Lists – Methods of Submission

Data validation and Reconciliation

Online entry

Excel file upload

Both methods will be supported concurrently



Pre-defined template similar to the existing one

HKEX | 香港交易所 **Distributor: Rosselyn** Goldman Sachs (Asia) gsa1 (gsa1)

Create individual placee

System validation during input

ID type	HKID	HK ID no./Passport no.	Y12345678(9)
Name (English)	Chan Tai Man	Name (Chinese)	陳大文
Flat, floor, building	Flat 01, 1/F, HK Building	Street no. & street	1 City Street
District	Central	City	HK
Country/Region	China		
Placee's telephone	88765432	No. of shares allotted	1000000
Name of placee's employer	AAA Industrial	Cornerstone investor	N

Supporting documents

Placee tags to prompt special workflows

Connected clients	N	Core connected persons	N
Existing or past employees of the issuer	N		

Save Cancel

Placee type: All Place ID: Input English name: Input
Status: All Search Reset

+ Create Upload Template

No.	Status	Placee ID	Type	English name	No. of shares	Comments	Updated time	Operation
<input type="checkbox"/>								


+ Placee Placee List Delete

<input type="checkbox"/>	No.	Status	Placee ID	Type	English name	No. of shares allotted
<input type="checkbox"/>	1	New	I125200(9)	individual	Susan Zhang	500,000
<input type="checkbox"/>	2	New	O824174(1)	individual	Katherine Morris	10,000
<input type="checkbox"/>	3	New	D223753(1)	individual	Jennifer Song	20,000
<input type="checkbox"/>	4	New	S701200(3)	individual	Samuel Matthew	100,000
<input type="checkbox"/>	5	New	Q963035(1)	individual	Edward Feng	200,000
<input type="checkbox"/>	6	New	O894657(0)	individual	Deborah Cai	300,000
<input type="checkbox"/>	7	New	G431339(3)	individual	Joshua Rubinstein	30,000
<input type="checkbox"/>	8	New	M894626(2)	individual	Ruth Thompson	300,000
<input type="checkbox"/>	9	New	I687494(4)	individual	Melissa Zhang	40,000
<input type="checkbox"/>	10	New	A392884(2)	individual	Dorothy Xia	20,000
<input type="checkbox"/>	11	New	S108258(4)	individual	Stephen Taylor	200,000



Placee Lists – Distributor's View

←
Placee List
Will be seen by distributor itself only



BIOTEXA – B (3758) ▾
Deal Priced

HKD 10.0
Final Price

2020-12-18
Expected Listing Date

Outstanding:

Pending

Submitted:

21,670,000

Total Number of Shares Placed

+ Placee
Delete
Submit
Placee List
template.xls

Name

Pending				Submitted	
<input type="checkbox"/>	Type	ID Number	Name	No. of Shares Placed	
<input type="checkbox"/>	Individual	Z888936(1)	Eric Shen	40,000	✉
<input type="checkbox"/>	Individual	N742351(8)	Jonathan Zeng	50,000	✉
<input type="checkbox"/>	Individual	W163934(7)	Alexander Ball	70,000	▾
<input type="checkbox"/>	Individual	H723434(4)	鄧大偉	50,000	▾
<input type="checkbox"/>	Individual	H831536(6)	Joseph Bennet	300,000	✉
<input type="checkbox"/>	Individual	E468532(1)	李蘭	100,000	▾
<input type="checkbox"/>	Individual	X533632(4)	Anna Thompson	150,000	▾
<input type="checkbox"/>	Individual	Y781836(3)	Samuel Xiao	20,000	▴

ID Type	HKID / NID / Passport no.	Full Name (English)	Full Name (Chinese)
HKID	Y781836(3)	Samuel Xiao	蕭渺
Address	Country Code	Telephone Number	
Unit 188 Tower 2, Centry Centre, 120 Nathan Road, Causeway Bay, Hong Kong	852	2888 5888	
No. of Share Allotted	Name of Placee's Employer	Placee Category	Support Document Requirement
20,000	Hong Kong Exchanges and Clearing Limited	N/A	Connected Client
Upload Support Document			
Connected Client Consent.pdf			
Edit			

Will be seen by Regulators

Comments raised by Regulators directly to the distributor

Details of the placee entry expanded



Placee Lists – Submission Time and Notifications

Earliest time for creating placee entries:

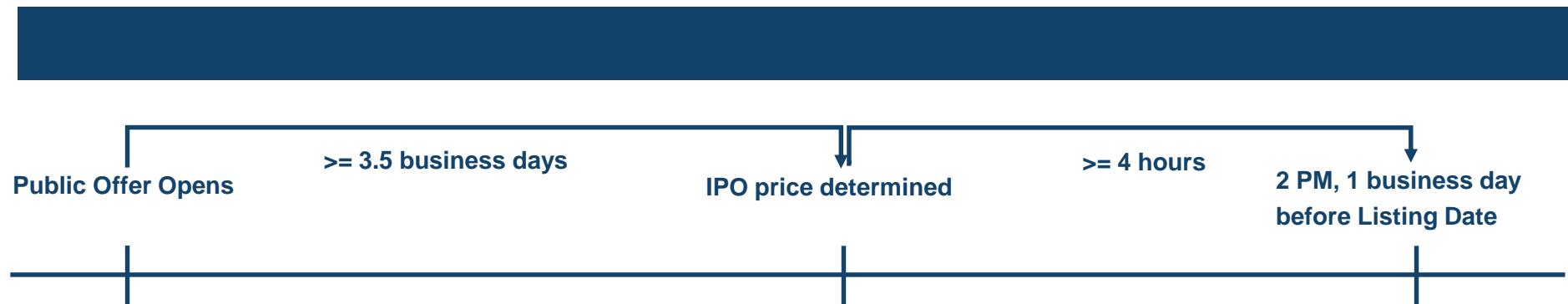
PUBLIC OFFER OPEN

Earliest time for submitting placee entries to Regulators:

IPO PRICED

Latest time for submitting and making changes to placee entries:

At 2 PM 1 BUSINESS DAY before Listing Date



Web notifications:

Principal Leader Broker, Distributors and Sponsors will receive notifications on outstanding items prior to the submission deadline on FINI and via e-mail



Regulatory submissions that FINI can cover



Regulatory Submissions – Automated Documents

Parties Involved	Documents can be covered by FINI
Sponsor(s)	<ul style="list-style-type: none">• Sponsor's Declaration (Form E)• Transaction Levy Form• Allotment Results Announcement
Lead Broker(s) / Distributor(s)	<ul style="list-style-type: none">• Marketing Statement (Form D)• Letter of Independence
Issuer's Counsel	<ul style="list-style-type: none">• Issuer's Declaration (Form F)

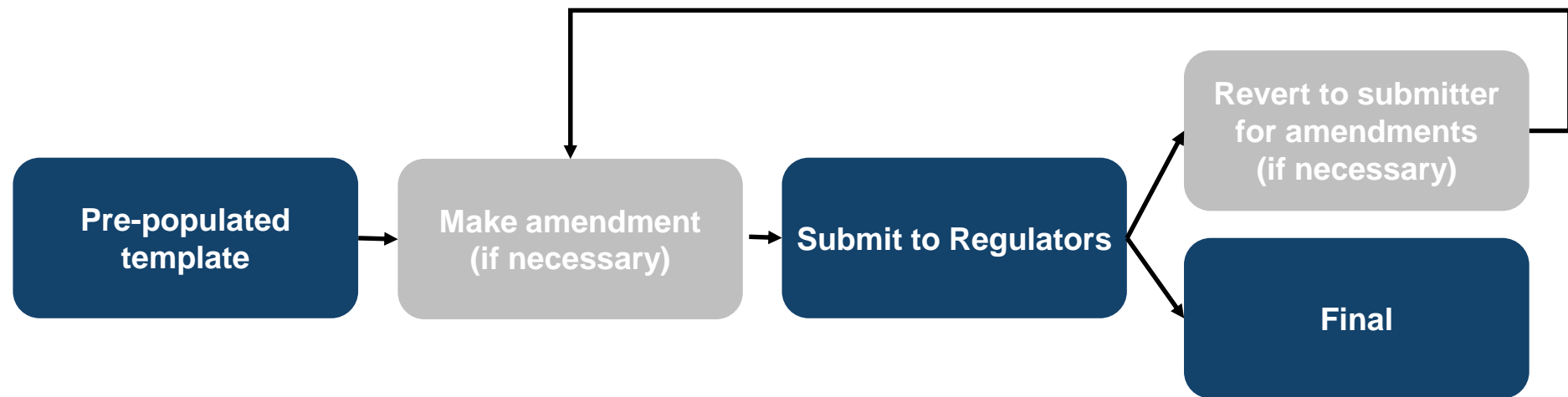
Time Period under T+1:

Immediately after Placee Lists have been cleared by Regulators before Listing



Regulatory Submissions

Workflow for Forms with High Degree of Automation



Documents in consideration:


Marketing Statement, Letter of Independence, Transaction Levy Form & Sponsor's Declaration, allotment result announcement



Regulatory Submissions

←
Regulatory Submissions

View Comments
Generate PDFs



BIOTEXA – B (3758)
Placing Approved

HKD 10.0
Final Price

2020-12-18
Expected Listing Date

Dashboard

IPO Reference Data

Regulatory Submissions

Transaction Levy Form

Dear Sirs, 2020-12-17

Applicant : BIOTEXA Inc.
Case Number : 20200619-I69561-0001
Transaction Type : New Listing – Primary Listing on SEHK
Subject : Submission of Transaction Levy/ Trading Fee

We confirm that we have duly submitted the transaction levy/ trading fee under Appendix 8 of the Main Board Listing Rules.

Calculation as follows:

Placing

(1) Trading fee:-					
22,500,000 shares	x	HK\$ 10.0	x	0.010%	= HK\$22,500
(2) Transaction levy:-					
22,500,000 shares	x	HK\$ 10.0	x	0.054%	= HK\$121,500
				Subtotal	= HK\$144,000

Public Offer

(1) Trading fee:-					
2,500,000 shares	x	HK\$ 10.0	x	0.010%	= HK\$2,500
(2) Transaction levy:-					
2,500,000 shares	x	HK\$ 10.0	x	0.054%	= HK\$13,500
				Subtotal	= HK\$16,000

Edit

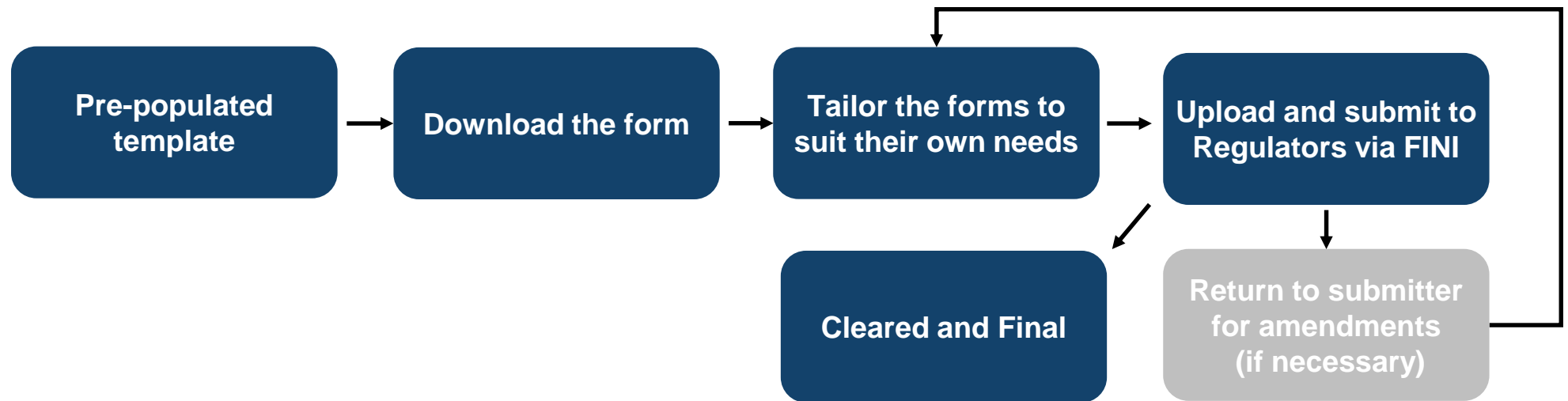
Contents

- Transaction Levy Form
- Sponsor's Declaration



Regulatory Submissions

Workflow for Forms with Certain Degree of Automation



Documents in consideration:

Issuer's declaration



Handling of concurrent IPOs for each user



Homepage

The screenshot displays the FINI homepage interface. At the top, there is a navigation bar with the FINI logo, a search icon, a user profile (Michelle Lo, Investibankers), and a filtering menu. The filtering menu includes options: Pending, Public Offer Closed, Allotment Confirmed, Deal Priced, and Trading Started. Below the navigation bar is a grid of 12 IPO listings. Each listing card contains the company logo, name, stock code, price range, deal status, and key dates. Annotations with red arrows point to specific elements: 'Filtering Function' points to the top navigation bar; 'Company Name & Stock Code' points to the 'Wayside (3371)' listing; 'Deal Status' points to the 'Public Offer Closed' status in the BIOTEXA listing; 'Offer Price Range' points to the 'HKD 5.3 - 5.5' price range in the InvestAI listing; 'Unread Notifications' points to a notification badge with the number '18' on the Hephaestus Finance listing; and 'Create New IPO' points to a red button labeled '+ IPO Initialisation' in the bottom right corner.

Company Name	Stock Code	Price Range	Deal Status	Key Dates
WAYSIDE	3371	-	Pending	Book Open Date
Automobus	1481	-	Pending	Book Open Date
Silico	3646	HKD 1.6 - 1.8	Deal Initiated	2020-12-06 (Book Close Date)
InvestAI	2664	HKD 5.3 - 5.5	Deal Initiated	2020-12-05 (Book Close Date)
BIOTEXA	3758	HKD 8.10 - 10.0	Public Offer Closed	2020-12-05 (Book Close Date)
VACATISH HOTELS	2478	HKD 10.5 - 12.0	Allotment Confirmed	2020-12-03 (Pricing Date)
Hephaestus Finance	3684	HKD 27.0	Deal Priced	2020-12-03 (Pricing Date)
Xenergy	1724	HKD 14.0	Deal Priced	2020-12-04 (Expected Listing Date)
NVCI	3449	HKD 3.9	Trading Started	2020-11-30 (Trading)
Big Bay Property	2491	HKD 7.2	Trading Started	2020-11-27 (Expected Listing Date)

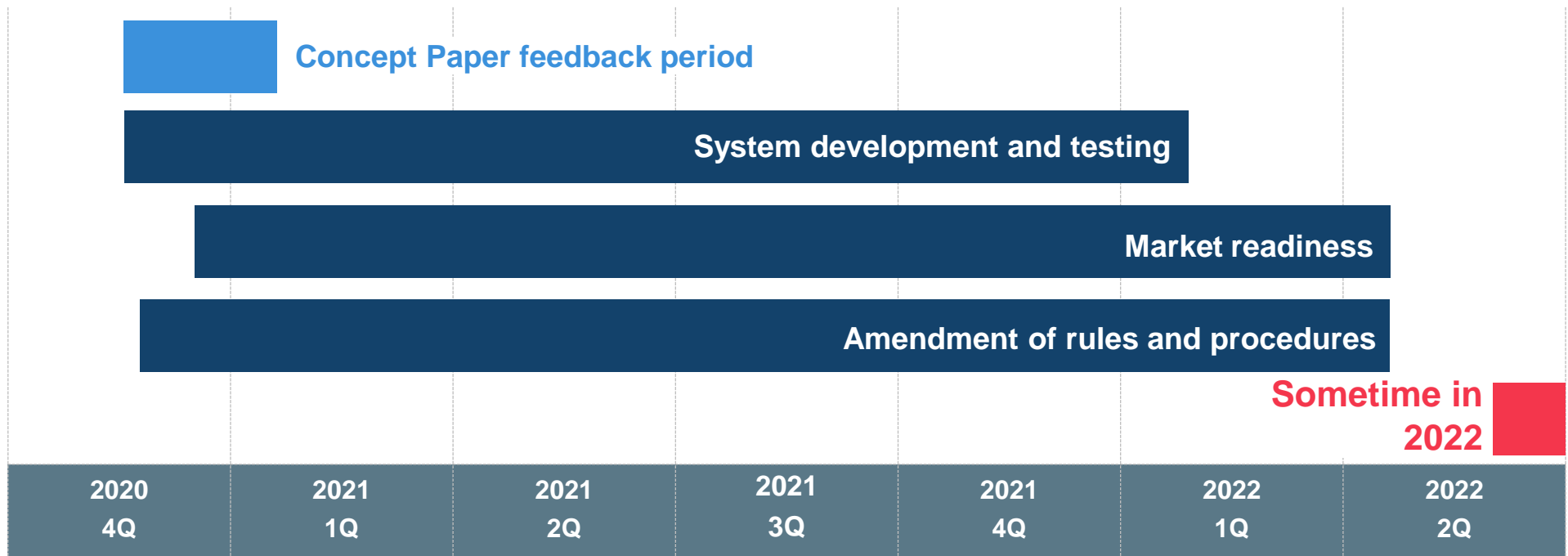


The Way Forward

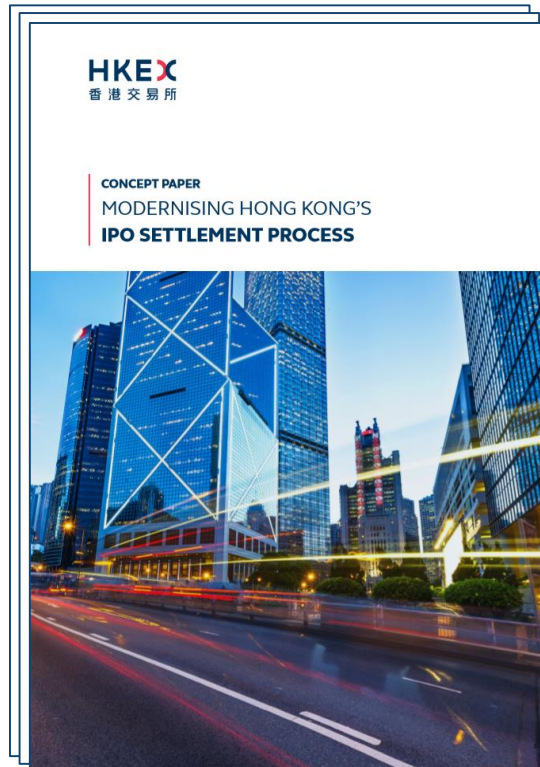


Transition to mandatory use of FINI, if supported

We expect to launch FINI no earlier than Q2 2022.



The Concept Paper



Inviting market feedback on the FINI concept

We are asking three questions:

- 1) Do you support the proposed reform?
- 2) Any comments on specific proposed features of FINI?
- 3) Anything not included that you would like to see?

2 months for responses: 15 Jan 2021 deadline

We welcome your feedback.



www.hkex.com.hk/fini

