July 2026

Consultation Conclusions

Listing Framework Competitiveness Review

TABLE OF CONTENTS

Executive Summary 1

Chapter 1: Introduction 5

Chapter 2: Weighted Voting Rights 7

I. Financial Eligibility Requirements 7

II. Voting Power and Economic Interest 11

III. Innovative Company Requirements, Success of the Company, and External Validation 20

Chapter 3: Issuers Listed Overseas 35

I. Qualification Requirements for Secondary Listings 35

II. Conversion to Primary Listing 40

III. Further Facilitative Measures for Issuers Listed Overseas 41

Chapter 4: Initial Listing Requirements and Listing Arrangements 45

I. Ownership Continuity and Control 45

II. Financial Reporting Standards 50

III. Commercialised Biotech Companies and Specialist Technology Companies 55

IV. Confidential Filing and Enhanced Return Mechanism 61

Chapter 5: Other Comments and Suggestions 76

Definitions 78

Appendix I: List of Respondents

Appendix II: Quantitative Analysis of Responses

Appendix III: Methodology

Appendix IV: Amendments to Main Board Listing Rules

Appendix V: Amendments to GEM Listing Rules

EXECUTIVE SUMMARY

Purpose

1. On 13 March 2026, the Exchange published a consultation paper to seek market feedback on a set of proposals to enhance the competitiveness of Hong Kong's listing framework (hereafter referred to as the **Consultation Paper**). This paper sets out the Exchange's conclusions to that consultation.

2. Our conclusions seek to foster broader access to high-quality investment opportunities whilst upholding investor confidence and, in doing so, maintain Hong Kong's position as a leading fundraising destination and a premier market for global capital seeking opportunities in Asia. We thank respondents for their valuable feedback, which has helped shape these enhancements to further optimise Hong Kong's listing framework while upholding market integrity.

3. This reform forms the first phase of our competitiveness review. The Exchange will consult on other areas of potential reform as the second phase of our competitiveness review in a separate consultation paper to be published in due course.

Responses Received

4. We received 73 responses to the Consultation Paper from a broad range of respondents. A list of respondents to the Consultation Paper is set out in **Appendix I** to this paper.

5. All proposals received majority support from respondents. The full results of a quantitative analysis of the responses are set out in **Appendix II** to this paper.

Proposals Adopted

6. Having considered the responses to the Consultation Paper, the Exchange will adopt all of the proposals outlined in that paper, with some modifications and clarifications (as set out in Chapters 2 to 4 of this paper).

Table 1: Summary of key proposals to be adopted

Subject	Current Requirements	Key Proposals to be Adopted
Weighted voting rights (Chapter 2)		
I. Financial eligibility	Market capitalisation: (A) ≥ HK$40 billion; or (B) ≥ HK$10 billion and revenue for the most recent audited financial year ≥ HK$1 billion.	To lower the thresholds to market capitalisation: (A) ≥ HK$20 billion; or (B) ≥ HK$6 billion and revenue for the most recent audited financial year ≥ HK$600 million.

Subject	Current Requirements	Key Proposals to be Adopted
II. Voting power and economic interest	Weighted voting ratio ≤ 10:1.	To allow a higher weighted voting ratio cap of 20:1 if market capitalisation at listing ≥ HK$40 billion.
	WVR shareholding percentage ≥ 10% at listing (a lower percentage may be accepted on a case-by-case basis).	To allow WVR shareholding percentage ≥ 5% only if it represents an amount of ≥ HK$4 billion at listing.
III. Innovativeness and other suitability requirements	An applicant must demonstrate that it is an "innovative" company for listing with WVR.	To refine the "innovative" test to explicitly provide a path to listing, with WVR, for non-tech issuers applying a new business model.
	Applicants that are Biotech Companies or Specialist Technology Companies are presumed to be innovative.	To expand the scope of technology companies presumed to be innovative (including qualified biotech and specialist technology companies even if they do not seek to list under the Specialist Chapters).
	An applicant must have previously received meaningful third-party investment from at least one sophisticated investor.	To provide greater clarity on external validation requirements.
Issuers listed overseas (Chapter 3)		
I. Qualification requirements for secondary listings	WVR: Two-year compliant track record on a Qualifying Exchange with same financial eligibility thresholds as primary WVR listings.	WVR: To lower financial eligibility thresholds to match those for primary WVR listings.
	Non-WVR: Market capitalisation: (A) ≥ HK$3 billion (for a five-year compliant track record on a Qualifying Exchange or Recognised Stock Exchange); or (B) ≥ HK$10 billion (for a two-year compliant track record on a Qualifying Exchange)	Non-WVR: To lower the HK$10 billion market capitalisation threshold under test (B) to HK$6 billion.
II. Conversion to primary listing	Guidance is available to facilitate conversion from a secondary listing to a (dual) primary listing.	To publish streamlined guidance on secondary listed issuers' conversion to primary listing and provide guidance on

Subject	Current Requirements	Key Proposals to be Adopted
		the typical steps required for compliance.
III. Further facilitative measures for issuers listed overseas	N/A	To continue to consider respondents' suggestions on measures to further facilitate the listings of issuers listed overseas and conduct a public consultation if necessary.
Initial listing requirements and listing arrangements (Chapter 4)		
I. Ownership continuity and control	An applicant must have been operating as an integrated unit under the same shareholder who is able to exert substantial influence on management in the relevant period.	To codify existing guidance: An applicant will be considered to have satisfied this requirement if it can demonstrate that there was no material change in influence on management during the relevant period despite a change in ownership.
II. Financial reporting standards	An applicant listed / to be listed in the US seeking a dual primary or secondary listing in Hong Kong may apply for a waiver to adopt US GAAP.	To expand the allowance of US GAAP to subsidiaries of US-listed parents and companies with substantial US business operations.
	US GAAP reporters must revert to HKFRS or IFRS upon a US delisting.	To remove this requirement.
	A reconciliation statement for unaudited financial reports must be reviewed by auditors.	To remove this requirement.
III. Commercialised Biotech and Specialist Technology applicants	A Biotech Company or Specialist Technology Company must list under the ordinary route to listing, and not the specialist routes (Chapters 18A or 18C), if it can meet any financial eligibility test under Chapter 8 of the Main Board Listing Rules.	To permit such applicants to seek a listing as a Biotech Company or Specialist Technology Company under the specialist routes even if they are financially eligible under the ordinary route to listing.
IV. Confidential filing and enhanced Return Mechanism	Confidential filing option is only available to eligible secondary listing applicants, Biotech Companies and Specialist Technology Companies, or subject to case-by-case waivers for other applicants.	To expand the non-public filing option to all new applicants.

Subject	Current Requirements	Key Proposals to be Adopted
	An application that is not substantially complete may be returned, upon which the sponsor's identity will be displayed on the Exchange's website.	To enhance the Return Mechanism to display (in addition to the sponsor's identity) the identities and roles of the professional parties involved in preparing the application materials upon a return of the listing application, and the reasons for return.

Implementation of the Listing Rules

7. Listing Rule amendments to implement the conclusions set out in this paper, with housekeeping Rule amendments,[1] form **Appendices IV** and **V** to this paper. These will come into effect immediately upon the publication of this paper.

8. Issuers with active listing applications[2] as at the date of this paper seeking a listing under Chapter 8 of the Main Board Listing Rules may apply to the Exchange to amend their applications so that they may be considered for a listing under Main Board Chapter 8A (as an issuer with a WVR structure) and/or under Main Board Chapters 18A or 18C (as a Biotech Company or Specialist Technology Company), as applicable, without withdrawing and refiling their applications. Applicants who wish to do so should contact the Exchange, through their sponsors, at the earliest opportunity if they wish to amend the details of their listing applications prior to their listing.

9. The Exchange has published updated guidance to accompany the proposals adopted.

[1] See Chapter 5 of the Consultation Paper.

[2] "Active" listing applications refer to listing applications that have been made prior to, and remain valid as at, the date of this paper.

CHAPTER 1: INTRODUCTION

Number and Nature of Respondents

10. We received 73 responses to the Consultation Paper from a broad range of respondents.

11. A full list of respondents to the Consultation Paper is set out in **Appendix I** to this paper. A breakdown of these respondents is set out in Table 2 (for institutions) and Table 3 (for individuals) below.

Table 2: Institutional respondents by category

Institution Category	Number	%
Accounting Firms	4	7.1%
Corporate Finance Firms / Banks	3	5.4%
Investment Firms / Asset Managers	3	5.4%
Law Firms	21	37.5%
Listed Companies	4	7.1%
Professional Bodies / Industry Associations	18	32.1%
Prospective Listing Applicants	2	3.6%
Other Company / Organisation	1	1.8%
Total[3]	**56**	**100%**

[3] The percentages may not add up to 100% due to rounding.

Table 3: Individual respondents by category

Individual Category	Number	%
Accountants	2	11.8%
Corporate Finance Staff	4	23.5%
Lawyers	2	11.8%
Listed Company Staff	2	11.8%
Prospective Listing Applicant Staff	1	5.9%
Retail Investors	3	17.6%
Staff at Investment Firms / Asset Managers	1	5.9%
Other Individuals	2	11.8%
Total[4]	**17**	**100%**

12. Key comments from respondents, our responses to those comments, and our conclusions are summarised in Chapters 2 to 4 of this paper. All the responses received are available to view on the HKEX website (link) (except those from respondents who indicated that they do not want their responses to be published).

13. The full results of a quantitative analysis of the responses are set out in **Appendix II** to this paper. The methodology we used to analyse these responses forms **Appendix III** to this paper.

[4] The percentages may not add up to 100% due to rounding.

CHAPTER 2: WEIGHTED VOTING RIGHTS

14. This chapter sets out key comments from respondents to our consultation proposals related to weighted voting rights (**WVR**) (as set out in Chapter 2 of the Consultation Paper), the Exchange's response to that feedback, and its conclusions.

I. Financial Eligibility Requirements

Proposal

15. We proposed to lower the current WVR Financial Eligibility Test thresholds as follows:

    (a) WVR Test A would be modified by reducing the current HK$40 billion expected market capitalisation threshold to at least HK$20 billion at the time of listing; and

    (b) WVR Test B would be modified by reducing the current HK$10 billion expected market capitalisation threshold to at least HK$6 billion at the time of listing, and by reducing the current HK$1 billion revenue for the most recent audited financial year to at least HK$600 million.[5]

Responses received

16. 91% of respondents supported lowering the WVR Financial Eligibility Test thresholds and 9% opposed it.[6]

17. Of those who supported lowering the WVR Financial Eligibility Test thresholds, 98% agreed with the proposed WVR Financial Eligibility Test thresholds (as set out in paragraph 15 above) and 2% opposed them.[7]

Comments

General comments

18. Many respondents noted that a relaxation of the Exchange's WVR financial eligibility thresholds would bring them more closely in line with those of other markets with tailored WVR requirements. They thought this would ensure Hong Kong remains an attractive global listing venue for WVR issuers.

19. Some respondents observed that since the introduction of the WVR regime, a significant number of innovative companies from Greater China had opted to list with WVR structures on US exchanges, and that a relaxation would help attract more of these companies to list in Hong Kong instead.

[5] See paragraph 91 of the Consultation Paper.

[6] Question 1 of the Consultation Paper.

[7] Question 2 of the Consultation Paper.

20. Some respondents believed that the characteristics of emerging growth companies (such as a pre-revenue status, long R&D cycles and high capital needs) would mean that some would be unlikely to have a market capitalisation, at listing, that would meet the current thresholds. However, such companies would also be those more likely to have founders whose equity interest in the company had been diluted through multiple rounds of private equity fundraising. These respondents considered this to be a structural mismatch between the current regime and its intended beneficiaries that the Exchange's proposals would help correct.

21. Those who did not agree with a relaxation of the WVR Financial Eligibility Test argued that:

    (a) Lowering the thresholds would allow issuers to adopt WVR structures at an earlier stage of their corporate development, when their governance frameworks are typically less well established.

    (b) The proposed Test B thresholds would mean companies with a market capitalisation below US$1 billion (HK$7.8 billion) would be eligible to list with WVR. They stated that companies of this size were generally classified as small-cap by international institutional investors, and that small-cap companies had reduced analyst coverage, heightened share price volatility, lower trading liquidity and increased perceptions of misgovernance, to which retail investors would be exposed.

Comments on the proposed thresholds

22. Many respondents considered the proposed thresholds to be appropriately calibrated. In particular, respondents noted that:

    (a) The proposed thresholds would bring Hong Kong broadly into alignment with the SSE and SZSE main boards and specialist markets, and that this alignment would be particularly beneficial in facilitating A+H listings by WVR A-share issuers.

    (b) The proposed thresholds would remain significantly above the ordinary Main Board listing requirements (the highest of which is HK$4 billion[8]), ensuring that WVR structures would only be applied to companies of meaningful scale.

    (c) The proposed Test B thresholds maintain the same revenue-to-market-capitalisation ratio (1:10) as the current test, preserving proportionality and consistency.

    (d) Other existing WVR-specific safeguards, including the Innovative Company Requirements, enhanced governance requirements and ongoing compliance obligations, would continue to mitigate the risk of proliferation.

23. Two respondents recommended lowering the thresholds further. One of these respondents suggested that WVR Test A be reduced to HK$10 billion (with reference to

[8] MB Rule 8.05(3).

the RMB10 billion threshold on the SSE and SZSE main boards) and the revenue requirement under WVR Test B be reduced to HK$500 million (with reference to the STAR Market and ChiNext Market). One noted that certain reputable WVR issuers listed on A-share markets currently have market capitalisations below HK$20 billion and so may not satisfy the proposed WVR Test A.

24. One respondent, while supporting the reduction in principle, suggested that the lowered Test B thresholds be reserved exclusively for issuers qualifying under Route A (technology) of the Innovative Company Requirements. This suggestion was made on the basis that companies with a verifiable technology or R&D substance provide a more stable foundation for a lower financial entry point, whereas Route B (business model) issuers carry higher sustainability risks.

Our response and conclusion

25. In view of the majority support from respondents, we will adopt the proposed WVR Financial Eligibility Test thresholds (as set out in paragraph 15 above).

General comments

26. As stated in the Consultation Paper,[9] Hong Kong's WVR regime was developed at a time when most other jurisdictions with similar regulatory standards had yet to implement a WVR listing framework. In the absence of peer exchanges to benchmark against, the Exchange put in place heightened criteria, including relatively high financial eligibility thresholds, to pre-emptively mitigate the risks associated with WVR structures. Our proposal to lower the financial eligibility thresholds for WVR issuers sought to strike an appropriate balance between market competitiveness and investor protection, ensuring that:

    (a) Such thresholds would remain sufficiently high to guard against WVR proliferation risk. In particular, the proposed thresholds would still be significantly higher than the Main Board listing requirements for non-WVR issuers (see paragraph 22(b)); even the lowest proposed threshold (i.e. HK$6 billion) would be significantly higher than that required of "large-cap" non-WVR issuers (i.e. HK$4 billion[10]).

    (b) Other investor safeguards, including restrictions on the form of WVR structures permitted and robust ongoing investor protection and corporate governance measures, would remain in place to better align the interests of WVR beneficiaries with those of minority shareholders.

27. For the above reasons, we do not agree that issuers listed under the revised requirements would carry the heightened risks associated with issuers at an earlier stage of development or with a small market capitalisation, as claimed by respondents who did not agree with the proposed relaxation (see paragraph 21).

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[9] See paragraphs 77 and 80 of the Consultation Paper.

[10] MB Rule 8.05(3).

Comments on the proposed thresholds

28. The Exchange believes that the proposed thresholds are appropriately calibrated as they achieve broad alignment with the SSE and SZSE and have received strong support from respondents. Accordingly, we will not adopt the suggestion to reduce thresholds further (see paragraph 23).

29. In respect of the suggestion to reserve the lowered Test B thresholds for Route A (technology) of the Innovative Company Requirements (see paragraph 24), the Exchange considers that the financial eligibility thresholds should apply uniformly to all WVR applicants, as the thresholds are designed to ensure a minimum scale of investor support for a listing with WVR and not to differentiate them based on their type of innovation.

II. Voting Power and Economic Interest

Proposals

WVR Ratio Cap

30. We proposed that applicants be able to list with a 20:1 WVR Ratio Cap if they have a market capitalisation of at least HK$40 billion at the time of listing.[11]

Minimum economic interest at listing

31. In respect of the Exchange's current discretion to accept the listing of an applicant whose WVR beneficiaries collectively hold a minimum economic interest at listing lower than 10%, we proposed that such lower underlying economic interest beneficially owned by WVR beneficiaries, at the time of the applicant's initial listing:

    (a) Represent at least 5% of the applicant's total issued share capital; and

    (b) Have an amount of at least HK$4 billion.[12]

Responses received

32. 90% of respondents supported the proposal to accept a 20:1 WVR Ratio Cap if an applicant has a market capitalisation of at least HK$40 billion at the time of listing (as set out in paragraph 30 above) and 10% opposed it.[13]

33. 90% of respondents supported the proposed conditions for accepting the listing of an applicant whose WVR beneficiaries collectively hold a lower minimum economic interest at listing (as set out in paragraph 31 above) and 10% opposed them.[14]

Comments

WVR Ratio Cap

34. Many respondents considered this proposal an important step towards further optimising Hong Kong's competitiveness as a listing venue, noting that the US and the UK do not impose a WVR Ratio Cap.

35. Several respondents observed that the current 10:1 WVR Ratio Cap may have affected certain high-quality companies (including US-listed Greater China Issuers). They emphasised the practical necessity of a higher ratio for founders of innovative companies whose shareholdings have been significantly diluted through successive rounds of pre-IPO financing. They believed that a 20:1 ratio would enable WVR

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[11] See paragraph 103 of the Consultation Paper.

[12] See paragraph 105 of the Consultation Paper.

[13] Question 3 of the Consultation Paper.

[14] Question 4 of the Consultation Paper.

beneficiaries to retain effective voting control while enabling them to raise the capital necessary for the issuer's development.

36. Some respondents noted that existing investor protection requirements, including: a mandatory corporate governance committee; the minimum 10% non-WVR voting power retention; and restrictions on WVR transfer, had proven effective and highlighted the clean compliance track record of Hong Kong's WVR regime. They noted that no non-WVR shareholder had requisitioned a general meeting of a WVR issuer and no substantive complaints had been received.[15]

37. Those who disagreed with the proposal expressed the following concerns:

    (a) Increasing the voting differential would further entrench a structural misalignment between economic ownership and control (see also paragraph 54 below).

    (b) It would risk making a 20:1 ratio the de facto standard for qualifying issuers. Given the difficulty of unwinding an elevated WVR ratio in practice, the proposal could lead to a degradation of governance standards across Hong Kong's equity market.

Market capitalisation threshold

38. Respondents generally believed that the HK$40 billion market capitalisation threshold was an appropriate safeguard, ensuring that only issuers of a significant scale (who were typically subject to greater institutional scrutiny, analyst coverage, and media attention) could benefit from the higher ratio. This was viewed as a sensible means of mitigating governance risk while providing flexibility for large, founder-led companies.

39. A few respondents suggested that the 20:1 WVR Ratio Cap should be made available to applicants with a lower market capitalisation threshold. In particular:

    (a) Two respondents proposed lowering it to HK$20 billion (the proposed WVR Test A threshold), arguing that the risk of misalignment of interests is not a function of company size alone and that retaining the HK$40 billion threshold would limit the practical benefit of the relaxation.

    (b) One respondent suggested that the 20:1 ratio should be available to all WVR companies regardless of market capitalisation, subject to shareholder approval on a one-share-one-vote basis and the laws of the place of their incorporation.

    (c) Another respondent suggested introducing an alternative market capitalisation/revenue threshold for the 20:1 WVR Ratio Cap, to maintain consistency with the dual-limb WVR Financial Eligibility Test.

Extension to existing WVR issuers

40. Some respondents expressly supported the Exchange's position that the proposal should not apply to existing listed WVR issuers, noting that this preserves the

[15] See paragraph 120 of the Consultation Paper.

governance basis on which investors made their investment decisions and avoids disruptive retrospective changes.

41. However, a few respondents suggested extending the 20:1 WVR Ratio Cap to existing listed WVR issuers for the following reasons:

    (a) Confining the higher ratio to new applicants creates an unjustified distinction based solely on listing date and puts existing issuers at a competitive disadvantage in raising follow-on capital.

    (b) Existing issuers have already cleared the current, higher, initial listing eligibility thresholds and have demonstrated a track record of good compliance that new applicants do not have.

42. Some of these respondents added that any such increase should be subject to approval by independent shareholders on a one-share-one-vote basis.

<u>Enhanced governance safeguards</u>

43. Some supporting respondents recommended that the higher ratio be accompanied by additional governance safeguards:

    (a) ***Sunset provisions and periodic shareholder review:*** A few respondents suggested introducing mandatory time-based sunset clauses (e.g. after five to ten years) or periodic one-share-one-vote shareholder votes on the continuation of the WVR structure. This would provide non-WVR shareholders with a direct, periodic mechanism to assess whether the structure continues to serve the company's interests.

    (b) ***Enhanced disclosure:*** Some respondents recommended enhanced disclosure requirements for issuers adopting the 20:1 ratio, including: mandatory annual disclosures on how the board has ensured alignment between WVR beneficiaries and minority shareholders; a detailed breakdown of the share structure; ongoing reporting on WVR conversion triggers; and periodic board reviews regarding the continued effectiveness of the WVR structure.

    (c) ***Enhanced board independence and INED oversight:*** Some respondents stressed the importance of robust independent board representation and effective governance committee oversight as essential accompaniments to the higher ratio. One respondent further suggested mandating a "Lead INED" for all WVR issuers and requiring a fully independent audit committee with the voting power of WVR beneficiaries capped at a specific percentage for the election of at least one audit committee member.

    (d) ***Expansion of one-share-one-vote matters:*** Two respondents suggested extending the matters subject to one-share-one-vote to cover significant connected transactions and other major corporate actions involving heightened conflict risk.

44. Some respondents suggested that the Exchange monitor shareholder voting outcomes and governance practices in high-ratio WVR issuers and review the appropriateness of a 20:1 WVR Ratio Cap from time to time.

Guidance on "extreme case" discretion

45. A few respondents welcomed the Exchange's reservation of discretion to refuse a listing representing an "extreme case of non-conformance with corporate governance norms". They sought further guidance to enhance regulatory certainty for applicants and their advisers.

Minimum economic interest at listing

46. Many respondents welcomed this proposal (see paragraph 31) as it would increase transparency, certainty, and predictability for listing applicants and their advisers. Several noted that the current case-by-case discretionary approach had proven difficult to apply in practice.

47. Some respondents highlighted the practical reality that founders of modern technology companies are commonly diluted to an economic interest below 10% through successive rounds of pre-IPO financing. They viewed the dual threshold as appropriately calibrated as the percentage floor of 5% would ensure a proportional stake, whilst the absolute dollar floor of HK$4 billion would ensure substantial "skin in the game" in absolute terms. Respondents added that by limiting the flexibility to large-cap issuers only, the proposal would maintain alignment between WVR beneficiaries and minority shareholders.

48. Several respondents noted that the proposed market capitalisation threshold for a lower minimum economic interest (from HK$80 billion to HK$40 billion) is proportionate to the proposed reduction in the WVR Test A threshold (from HK$40 billion to HK$20 billion).

49. Opposing respondents argued that lowering the minimum economic interest threshold would weaken the alignment of the incentives of WVR holders with ordinary shareholders. They emphasised that absolute dollar thresholds do not substitute for proportional exposure, particularly in volatile or declining market conditions.

Post-listing minimum economic interest and ongoing disclosure

50. A few respondents noted that there is currently no requirement for WVR beneficiaries to maintain any minimum economic interest after listing, meaning that the disparity between control and ownership can widen over time through secondary sales or dilutive issuances.

51. These respondents suggested that the Exchange introduce requirements for ongoing periodic disclosure of the aggregate economic interest held by WVR beneficiaries relative to their voting power, so that investors can dynamically assess governance risk post-listing. One went further to suggest imposing a post-listing economic interest floor.

Enhanced governance safeguards for lower economic interest

52. A few respondents recommended that the lower minimum economic interest requirement be accompanied by enhanced governance safeguards (as set out in paragraph 43 above).

Clarification of Rule wording

53. A few respondents requested clarifications to the wording of the Listing Rules (MB Rule 8A.12 and the underlying note), specifically:

    (a) Whether "total issued share capital" should exclude treasury shares; and

    (b) The use of "minimum shareholding percentage" rather than "minimum underlying economic interest".

Combined effect of a lower economic interest and higher voting ratio

54. Three respondents expressed concerns about the combined effect of lowering the minimum economic interest to 5% and increasing the WVR Ratio Cap to 20:1, as it would allow a WVR beneficiary holding as little as 5% of the economic interest to command 51% of total voting power. They argued that the two relaxations would compound the separation of control from economic exposure, which would raise serious governance concerns among international institutional investors.

55. A few respondents sought clarification on how the Exchange would exercise its discretion where a lower economic interest and higher ratio are combined, suggesting that codified thresholds or illustrative examples would enhance certainty. One of these respondents suggested that the Exchange should at least maintain the current 10% minimum economic interest requirement for issuers adopting a voting rights ratio above 10:1.

Our response and conclusion

WVR Ratio Cap

56. Having considered the responses, we will adopt the proposal to accept a 20:1 WVR Ratio Cap if an applicant has a market capitalisation of at least HK$40 billion at the time of listing (as set out in paragraph 30 above).

57. We acknowledge the concerns raised by certain respondents regarding the risks associated with widening the gap between voting control and economic ownership (see paragraph 37(a)). However, we believe that these risks will be mitigated by the following:

    (a) The option is limited to applicants with a significant market valuation, whose WVR beneficiaries collectively hold a substantial economic stake in absolute terms. This should help ensure that the interests of the WVR beneficiaries are aligned with those of non-WVR shareholders.

(b) Existing investor protection safeguards applicable to all WVR issuers would remain in place to mitigate the risks of expropriation and entrenchment.

58. We do not agree with a respondent's claim that a 20:1 Voting Ratio Cap would make a 20:1 ratio the de facto standard for qualifying issuers (see paragraph 37(b)). This is because:

(a) The HK$40 billion market capitalisation threshold serves to limit the scope of companies that would be eligible for adopting a weighted voting ratio of 20:1.

(b) Even in the absence of any voting right restriction, a weighted voting ratio of 10:1 remained the most common among US-listed WVR issuers.[16] It is unlikely that a 20:1 ratio would become mainstream solely because of a relaxation of the Voting Ratio Cap for large-cap applicants.

Market capitalisation threshold

59. The relatively high market capitalisation threshold of HK$40 billion is intended to mitigate the risks associated with the wider gap between voting control and economic ownership.[17] Accordingly, the Exchange will not adopt respondents' suggestions for lowering or removing this threshold (see paragraph 39).

Extension to existing WVR issuers

60. Under our current Rules, an issuer must not increase the proportion of its share capital represented by WVR shares at any time after listing.[18] This serves to maintain the confidence of investors in the Exchange's markets that their rights will be preserved, over the long term, if they invest in the securities of listed issuers. Consequently, the Exchange will maintain this position and will not extend the 20:1 WVR Ratio Cap to existing listed WVR issuers.

Enhanced governance safeguards

61. In respect of suggestions that the higher ratio should be accompanied by additional governance safeguards (see paragraph 43), the Exchange considers that the existing safeguards applicable to WVR issuers already provide sufficient protection for minority shareholders:

(a) ***Sunset provisions and periodic shareholder review:*** The existing WVR regime includes event-based sunset provisions, pursuant to which a WVR beneficiary's weighted voting rights must cease upon death, incapacity, cessation as a director, or non-compliance with director requirements.[19] The Exchange notes that other major jurisdictions (including the Chinese Mainland, Singapore, the UK, and the US) do not impose a time-based sunset for WVR structures with individual

[16] See paragraph 107 of the Consultation Paper.

[17] See paragraph 110 of the Consultation Paper.

[18] MB Rule 8A.13.

[19] MB Rule 8A.17.

beneficiaries only. The Exchange does not consider it necessary to introduce time-based sunset clauses or periodic shareholder review at this time.

(b) ***Enhanced disclosure:*** WVR issuers are already required to disclose the identity of WVR beneficiaries and the impact of conversion of WVR shares into ordinary shares in their listing documents and in their interim and annual reports.[20] In addition, a Corporate Governance Report produced by WVR issuers must include a summary of the work of the Corporate Governance Committee.[21] The Exchange considers these existing disclosure requirements to be adequate.

(c) ***Enhanced board independence and INED oversight:*** All WVR issuers are required to establish a Corporate Governance Committee comprised entirely of independent non-executive directors to review and monitor the operation of the issuer's WVR structure.[22] This existing requirement, together with other measures to improve board independence and effectiveness under the Rules and the Corporate Governance Code,[23] aims to ensure independent oversight of WVR-related matters. Other corporate governance matters raised by respondents will be taken into account in future reviews of the Exchange's corporate governance framework.

(d) ***Expansion of one-share-one-vote matters:*** We wish to clarify that our regime does not permit persons with a material interest in a connected transaction to vote on the resolution approving the transaction.[24] This means that a WVR beneficiary, who is designated as a core connected person of the issuer,[25] may vote on the resolution approving a connected transaction only when the WVR beneficiary does not have a material interest in the transaction.

Guidance on "extreme case" discretion

62. Regarding the Exchange's interpretation of what constitutes an "extreme case of non-conformance with corporate governance norms" (see paragraph 45), we will consider issuing listing decisions, as appropriate, in the future to provide further guidance on this matter.

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[20] MB Rules 8A.39 and 8A.40.

[21] MB Rule 8A.32. The work of the Corporate Governance Committee includes, among other things, reviewing and monitoring the management of conflicts of interests, reviewing and monitoring all risks related to the issuer's WVR structure, and making recommendations to the board on certain transactions and the appointment or removal of the compliance adviser (see MB Rule 8A.30).

[22] MB Rules 8A.30 and 8A.31.

[23] These include the requirements to conduct a periodic board performance review and maintain a board skills matrix, the cap on the number of directorships held by an INED, the tenure of an INED, and the designation of a Lead INED for issuers without an independent board chair. See MB Rule 3.12A and the following provisions in Appendix C1 to the Main Board Listing Rules: paragraphs B(a), E(d)(iii) and L(d) of Part 1; and code provisions B.1.4, B.1.5, C.1.8 and F.1.1 of Part 2.

[24] MB Rule 14A.03.

[25] MB Rule 8A.20.

Minimum economic interest at listing

63. Having considered the respondents' comments, we will adopt the proposed conditions for accepting the listing of an applicant whose WVR beneficiaries collectively hold a lower minimum economic interest at listing (as set out in paragraph 31 above).

64. Our proposal to introduce percentage and market value thresholds for the minimum economic interest held by WVR beneficiaries follows existing expectations and aims to increase the certainty for the users of our requirements. We believe that the conditions we have set, particularly the minimum floor of HK$4 billion for the economic interest held by WVR beneficiaries, will help ensure that their interests are aligned with those of non-WVR shareholders.

Post-listing minimum economic interest and ongoing disclosure

65. Requiring that WVR beneficiaries hold a minimum economic interest on an ongoing basis may be counterproductive to the aim of mitigating the risks associated with WVR, as this would indefinitely preserve their voting control at the same level as they held at listing. Our existing requirements do not permit an issuer to increase the voting control that WVR beneficiaries hold after listing.[26] This restriction will be maintained.

66. We also note that post-listing minimum economic interest requirements are not a feature of WVR regimes in most other major markets (including Singapore, the UK, and the US).

Clarification of Rule wording

67. In respect of the clarifications sought on the references in the Rules (MB Rule 8A.12) (see paragraph 53):

    (a) ***"Total issued share capital":*** We will clarify in the Rules that "total issued share capital" excludes treasury shares.

    (b) ***"Minimum shareholding percentage" and "minimum underlying economic interest":*** We will use the term "minimum underlying economic interest" in the Rules for consistency.

Combined effect of a lower economic interest and higher voting ratio

68. As illustrated by respondents, under our proposals, in the most extreme case, a WVR issuer with a market capitalisation, at listing, of HK$80 billion or more could allow a WVR beneficiary holding a 5% economic interest in the issuer to exercise 51% of total voting power (see paragraph 54). We would like to emphasise that in this scenario, the WVR beneficiary would hold an economic interest worth at least HK$4 billion. We continue to believe that this absolute dollar amount would be sufficient to align the WVR beneficiary's interests with the interests of non-WVR shareholders.

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[26] MB Rule 8A.13.

69. In any event, the Exchange reserves the right, at its absolute discretion, to refuse the listing as an extreme case of non-conformance with corporate governance norms.[27] The Exchange would consider cases with a higher weighted voting ratio (of over 10:1) and a lower minimum WVR shareholding percentage at listing (of below 10%) holistically, taking into account the combined effects that such a WVR structure may have on the potential risk of misalignment of interests.

[27] See paragraph 106 of the Consultation Paper.

III. Innovative Company Requirements, Success of the Company, and External Validation

A. Refining Routes to Meeting the Innovative Company Requirements

Proposals

70. We proposed to refine the test of whether a WVR listing applicant is an innovative company (i.e. meets the Innovative Company Requirements) into a demonstration of either:

Route A: the adoption of ***technologies*** that are either novel, in themselves, or essential to the novelty of its core business; or

Route B: success attributable to the application, to its core business, of a ***new business model*** that may not necessarily be enabled by technology. Where such a business model is enabled by technology, that technology does not have to be novel or essential to the novelty of the issuer's core business.[28]

Companies presumed to meet Innovative Company Requirements

71. Current Specialist Company Presumptions would continue to apply to Specialist Companies seeking to list under the Specialist Chapters.

72. We proposed that the following additional groups of applicants be presumed to meet the Innovative Company Requirements, namely:

(a) Applicants seeking to list under Chapter 8 of the Main Board Listing Rules that:

(i) Operate in the Biotech industry, have been primarily engaged in the R&D of at least one Core Product, and have commercialised that product;

(ii) Have continued R&D of the Core Product during the 12 months prior to listing; and

(iii) Have ownership of IP rights relating to the Core Product,

(**Qualified Biotech Applicants**); and

(b) Applicants seeking to list under Chapter 8 of the Main Board Listing Rules that:

(i) Are primarily engaged in the R&D of, and have commercialised, Specialist Technology Product(s) within an acceptable sector of a Specialist Technology Industry; and

(ii) Meet the R&D expenditure percentage test designed for a Commercial

[28] See paragraph 126 of the Consultation Paper.

Company under Main Board Chapter 18C,

(**Qualified Specialist Technology Applicants**).[29]

73. Under our proposal, Qualified Biotech Applicants and Qualified Specialist Technology Applicants would still be required to meet the "success of the company" and "external validation" requirements as part of the Exchange's assessment of their suitability for listing with a WVR structure.[30]

Responses received

74. 89% of respondents supported the proposed refinement of the Innovative Company Requirements into Route A and Route B (as set out in paragraph 69 above) and 11% opposed it.[31]

75. Of those who supported the provision of a choice of Route A and Route B, in respect of Route A:

    (a) 100% agreed with the proposed retention of the current Specialist Company Presumptions (as set out in paragraph 70 above);[32] and

    (b) 98% agreed with the proposed "innovative" presumption for Qualified Biotech Applicants and Qualified Specialist Technology Applicants (as set out in paragraphs 71 and 72 above) and 2% opposed it.[33]

Comments

General comments

76. Respondents generally considered the two-route framework a pragmatic evolution that better reflected modern economic realities. They commented that innovation was no longer confined to purely technology-driven companies, noting that many high-growth companies derived their competitive advantage from platform models, ecosystem design, or operational innovation rather than technological breakthroughs.

77. One listed technology conglomerate noted that, from its investment portfolio, many highly successful founder-led businesses may not meet the current technology-centric Innovative Company Requirements and could be suitable for a WVR listing under Route B.

[29] See paragraph 132 of the Consultation Paper.

[30] See paragraph 133 of the Consultation Paper.

[31] Question 5 of the Consultation Paper.

[32] Question 6(a) of the Consultation Paper.

[33] Question 6(b) of the Consultation Paper.

78. Some respondents noted that the proposed refinements would enhance transparency and predictability without fundamentally altering the regulatory intent of the WVR regime, as these refinements largely formalise the Exchange's current vetting practice.

79. Several respondents also believed that the proposal would enhance Hong Kong's competitiveness as a listing venue by attracting a wider range of new economy companies.

80. Opposing respondents expressed the following concerns:

(a) The proposal may, in practice, broaden formal access to WVR structures, shifting the innovativeness requirement from a safeguard that restricted entry into a framework that provided a prescription for eligibility.

(b) Business-model-led innovation under Route B would be inherently subjective and difficult to benchmark consistently, and was likely to be based on innovations that were less durable over time.

(c) Reliance on growth metrics and external validation risked conflating short-term commercial success or favourable market conditions with sustained innovation.

Specific comments

81. Some respondents expressed reservations about the reliance on qualitative, and often subjective, Innovative Company Requirements, noting that:

(a) Quantitative financial eligibility requirements (e.g. the WVR Financial Eligibility Test thresholds, and external validation) already served as an effective proxy for innovation and safeguard against proliferation risk.

(b) Peer exchanges did not require, or did not explicitly require, issuers to demonstrate innovativeness as a prerequisite for listing with a WVR structure.

82. In view of the abovementioned concerns:

(a) Two respondents suggested that, as Hong Kong gained more experience with WVR issuers, the Exchange should consult the market in future on the necessity of retaining the innovativeness requirement.

(b) One respondent suggested exploring a more efficient way of demonstrating suitability to avoid lengthy submissions and rounds of comments.

(c) Two respondents suggested a complete removal of the innovativeness requirement from the assessment of suitability for listing with a WVR structure.

Retention of Specialist Company Presumptions

83. Respondents generally agreed that the existing Specialist Company Presumptions had functioned well since their introduction and provided an efficient, predictable pathway for Specialist Companies. Retaining them ensured continuity and regulatory consistency,

and avoided unnecessary duplication of assessment, given that Specialist Companies were already subject to tailored eligibility and disclosure frameworks under the Specialist Chapters.

"Innovative" presumption for Qualified Biotech Applicants and Qualified Specialist Technology Applicants

84. Several respondents considered that the proposed extension was a logical and coherent development. They noted that these applicants shared similar specialist characteristics with companies listing under the Specialist Chapters and had additionally demonstrated their innovative credentials through sustained R&D activity, product commercialisation, and IP ownership. Extending the presumption avoided requiring a potentially redundant assessment of innovativeness.

85. Two respondents sought clarification on the following matters in respect of the proposed definition of a Qualified Biotech Applicant:

(a) ***Commercialisation of Core Product:*** Whether the proposed requirement for an applicant to have commercialised at least one Core Product would serve any purpose distinct from the "success of the company" requirement.

(b) ***Continued R&D of Core Product:*** Whether the proposed continued R&D requirement would apply to the same Core Product that had been commercialised.

(c) ***IP ownership:*** Whether co-development and co-ownership of IP, and whether a third-party licensor/licensee owning some IP rights with respect to a Core Product, would impact the satisfaction of the proposed IP ownership requirement.

Our response and conclusion

86. In view of the support for the proposal, we will refine the routes to meeting the Innovative Company Requirements into Route A and Route B (as set out in paragraph 69 above).[34]

General comments

87. As noted in the Consultation Paper, the Exchange has previously recognised applicants in industries such as restaurants, logistics, real estate management, and metal trading as "innovative", where innovativeness lay in the application of a new business model rather than proprietary technology.[35] The proposed refinements are not intended to represent an expansion of the WVR regime's scope, but rather a formalisation of existing practice with the addition of objective, measurable criteria, to ensure robust assessment against any dilution of the regime's "new economy" focus.

88. Also, for Route B, we would apply measurable indicators, such as revenue CAGR, that should reduce the subjectivity of the assessment of innovativeness for WVR applicants listing via this route. These indicators are, where possible, measured over our standard

[34] Guide for New Listing Applicants (last updated 24 July 2026), Chapter 2.2, paragraph 4.

[35] See paragraphs 139 and 140 of the Consultation Paper.

track record period for determining the past performance of a company prior to listing. This should reduce the risk that this success is due only to short-term favourable market conditions.

Specific comments

89. The Innovative Company Requirements serve the important purpose of ensuring that WVR structures are confined to the types of high-growth companies with high investment potential that the regime was designed to attract.[36] The Exchange considers that the Innovative Company Requirements, together with quantitative financial eligibility thresholds and enhanced corporate governance safeguards, have been effective in achieving this objective.

Retention of Specialist Company Presumptions

90. In view of the unanimous support from respondents, we will retain the current Specialist Company Presumptions (as set out in paragraph 70 above).

"Innovative" presumption for Qualified Biotech Applicants and Qualified Specialist Technology Applicants

91. In view of the very strong support from respondents, we will adopt the proposed "innovative" presumption for Qualified Biotech Applicants and Qualified Specialist Technology Applicants (as set out in paragraphs 71 and 72 above).[37]

92. In respect of respondents' enquiries about the proposed definition of a Qualified Biotech Applicant (see paragraph 84), we wish to clarify that:

(a) ***Commercialisation of Core Product:*** The commercialisation requirement is a threshold criterion for establishing whether an applicant may benefit from the "innovative" presumption as a Qualified Biotech Applicant. The fact that the applicant has commercialised at least one Core Product would be a significant factor in the assessment of the "success of the company" requirement, together with other relevant factors such as the applicant's operational metrics and growth trajectory.

(b) ***Continued R&D of Core Product:*** An applicant may satisfy this criterion through continued R&D of either the same Core Product that has been commercialised (for example, continued development for the expansion of indication(s) of that product), or a different Core Product in the applicant's pipeline.

(c) ***IP ownership:*** The approach we currently take under Chapter 18A of the Main Board Listing Rules would continue to apply. This means that, for in-licensed, out-

[36] See paragraph 138 of the Consultation Paper.

[37] Guide for New Listing Applicants (last updated 24 July 2026), Chapter 2.2, paragraphs 10 and 12.

licensed, or jointly developed Core Products, the applicant must demonstrate that it owns and will own all IP independently developed by the applicant.[38]

Other clarifications

93. The innovativeness test remains a holistic assessment under which the Exchange will review the facts and circumstances of each case in their totality. To enable the Exchange to make a prompt assessment, applicants should submit a pre-IPO enquiry and include in their submissions all relevant facts with a meaningful and balanced discussion of how their technologies or business models demonstrate "innovativeness".

94. However, where an applicant is presumed to meet the Innovative Company Requirements,[39] the Exchange will not normally expect the applicant to submit a pre-IPO enquiry regarding the other WVR suitability criteria (i.e. "success of the company" and "external validation"). This is unless there are novel issues involved. Those wishing to list under the Specialist Chapters may seek pre-IPO guidance and advice via TECH.

95. We wish to clarify that the Innovative Characteristics are assessed at the time of listing as part of the WVR suitability assessment. There is no ongoing requirement for issuers to demonstrate these characteristics after listing.

B. Application of Innovative Characteristics to Each Route

Proposals

96. We proposed to restructure the Innovative Company Requirements by applying the Innovative Characteristics in a bespoke manner to Route A and Route B.[40]

(I) Characteristic applicable to both Route A and Route B applicants

97. Both Route A and Route B applicants would be expected to possess the **Novelty Characteristic**:

"An applicant should elaborate on how its operations differ from conventional methods of operating a business in its industry which set it apart from its peers. If the peers are employing similar technology or a similar business model, the Exchange may still consider the applicant to be innovative if it is the only one, or one of the first few in its industry, to adopt the new technologies (Route A) or new business model (Route B)."[41]

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[38] Guide for New Listing Applicants (last updated 24 July 2026), Chapter 2.3, paragraph 9.

[39] Under the Specialist Company Presumption or the presumption for Qualified Biotech Applicants and Qualified Specialist Technology Applicants.

[40] See paragraph 128 of the Consultation Paper.

[41] See paragraph 129 of the Consultation Paper.

(II) Other characteristics applicable to Route A applicants

98. An applicant under Route A would also be expected to possess **more than one** of the following Innovative Characteristics:

- **R&D Characteristic:** *"R&D is a significant contributor to its expected value and constitutes a major activity and expense. An applicant should disclose the amount of its R&D expenses during the track record period (both as a figure and as a percentage of total revenue/expenses). In addition, an applicant should explain how the R&D contributes value to the applicant.*

  The Exchange will examine whether the R&D expenses are capitalised as intangible assets in the accounts of the applicant as an indicator of the value generated through the R&D activities. Where a significant portion of the R&D expenses is not capitalised, the applicant should provide the reasons therefor."

- **IP Characteristic:** *"Its success is demonstrated to be attributable to its IP. An applicant should provide detailed explanation on how its IP enabled it to achieve business success."*

- **Outsized Market Cap Characteristic:** *"It has an outsized market capitalisation/intangible asset value relative to its tangible asset value."*[42]

(III) Other characteristics applicable to Route B applicants

99. An applicant under Route B would normally be expected to possess **all of** the following new Innovative Characteristics:

- **CAGR Growth Characteristic:** *"An applicant must have a compound annual growth rate (**CAGR**) in revenue of at least 30% over the track record period.*

  The Exchange may accept that the applicant relies on alternative operational metrics (e.g. gross merchandise value) that demonstrate an equivalent rate of growth if the applicant can establish to the Exchange's satisfaction that such metrics would be more relevant and comparable indicators of the applicant's business growth (e.g. it is an industry norm to use and report such metrics), which can be independently demonstrated or substantiated."

- **Industry Position Characteristic:** *"An applicant must demonstrate that it holds a relatively prominent position in its industry."*[43]

Responses received

100. Of those who supported the provision of a choice of Route A and Route B:

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[42] See paragraph 130 of the Consultation Paper.

[43] See paragraph 131 of the Consultation Paper.

(a) 100% agreed with the proposed refinements to the Innovative Characteristics that are applicable to Route A (as set out in paragraphs 96 and 97 above);[44] and

(b) 98% agreed with the proposed refinements to the Innovative Characteristics that are applicable to Route B (as set out in paragraphs 96 and 98 above) and 2% opposed them.[45]

Comments

Novelty Characteristic

101. Several respondents expressly agreed with the Exchange's proposal to deem an applicant to be innovative if it was "one of the first few in its industry" to adopt new technologies (or a new business model), rather than requiring the applicant to be the sole first mover. This reflected the commercial reality that, in high-technology sectors, multiple frontrunners may adopt novel technologies around the same time, and that penalising such companies for not being the first would be inconsistent with the objective of the WVR regime.

102. Two respondents suggested that the Exchange provide illustrative guidance on the "one of the first few" criteria. Suggestions included: referencing adoption timelines relative to industry peers; and referencing the applicant's jurisdiction of primary operations or on a global basis, to ensure consistent application across sectors with differing geographic competitive landscapes.

Application of Innovative Characteristics to Route A

IP Characteristic

103. Several respondents noted that the proposed removal of the reference to "unique features" would better reflect current vetting practice and provide greater clarity.

104. Two respondents sought clarification on the interpretation of "IP". One of them noted that many innovative companies in the software, AI, medical device, and data analytics sectors deliberately chose not to file patents and instead relied on trade secrets, proprietary know-how, or proprietary datasets as their primary competitive advantage. A narrow interpretation of "IP" focusing predominantly on registered patents may inadvertently disadvantage such companies.

Outsized Market Cap Characteristic

105. One respondent noted that the Outsized Market Cap Characteristic was qualitative and could be challenging to apply consistently across different industries. The respondent suggested that the Exchange provide more quantitative guidance, e.g. benchmarking against comparable companies or a specific multiple of tangible asset value.

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[44] Question 6(c) of the Consultation Paper.

[45] Question 7(a) of the Consultation Paper.

Application of Innovative Characteristics to Route B

106. Respondents generally agreed that the proposed criteria, requiring both strong revenue growth and a prominent industry position, appropriately ensured that business-model-driven innovators could demonstrate tangible commercial success and market validation. One respondent noted that the CAGR Growth and Industry Position Characteristics helped distinguish a genuinely differentiated business model from strong execution in a conventional sector.

107. Some respondents suggested that the Exchange publish guidance or anonymised illustrative examples setting out how the refined characteristics would be applied to common Route B fact patterns in practice (e.g. what constituted a "new business model" under Route B, borderline cases, and alternative operational metrics that had been accepted for the purpose of the CAGR Growth Characteristic), to reduce vetting uncertainties and improve predictability of outcomes.

<u>*CAGR Growth Characteristic*</u>

108. Several respondents, while generally supportive of the 30% revenue CAGR threshold as a clear benchmark, expressed concern that it may be too high or rigid in certain circumstances. Respondents noted that:

(a) Some industries exhibit inherently lower growth rates due to market maturity, regulatory constraints, or intensive capital requirements.

(b) Some high-quality innovative companies could miss the target due to cyclical market conditions or sudden strategic changes to their business models, and companies with an already large revenue base may show lower percentage growth despite significant increases in absolute revenue terms.

One of these respondents suggested that the Exchange retain the flexibility to consider applicants with a revenue CAGR below 30% on a case-by-case basis, taking into account relevant industry-specific factors.

109. Two respondents suggested that the Exchange also consider supplementary or alternative metrics of quality of growth or profitability trajectory (e.g. unit economics, EBITDA trends, or the revenue-to-net-loss ratio), and market position paired with moderated growth.

110. Three respondents asked the Exchange to clarify whether there was an overlap between the 30% CAGR requirement and the requirement to demonstrate "high business growth" under the "success of the company" criterion, and whether these requirements could be streamlined.

<u>*Industry Position Characteristic*</u>

111. Several respondents sought clarification on what constituted a "relatively prominent position" in an applicant's industry, and how "industry" and peer sets would be defined. They suggested the Exchange consider providing a non-exhaustive list of factors (such

as market share, number of users or customers, or revenue ranking), measurable benchmarks, or reference to independent industry or market research reports.

Our response and conclusion

112. In view of the unanimous support from respondents, we will adopt the proposed refinements to the Innovative Characteristics that are applicable to Route A (as set out in paragraphs 96 and 97 above).[46]

Novelty Characteristic

113. Our assessment of whether an applicant is "one of the first few in its industry" to adopt new technologies will be conducted on a case-by-case basis, having regard to the specific facts and circumstances of each application. We will continue to publish listing decisions from time to time on the characteristics of applicants that were not able to demonstrate innovativeness (including those who failed to differentiate themselves from existing market players) to provide guidance to prospective listing applicants.

Application of Innovative Characteristics to Route A

IP Characteristic

114. The Exchange considers that broadening the definition of IP to cover concepts such as proprietary know-how or trade secrets could give rise to a higher degree of subjectivity and increase the risk of circumvention, for example through the artificial characterisation of internal processes or commercial knowledge as "IP". Retaining a more clearly defined and objectively verifiable IP standard is important to ensure objectivity and robustness in the assessment of innovativeness.

115. Where the IP Characteristic is not applicable to an applicant's circumstances, the applicant may choose to rely on the other Innovative Characteristics (R&D and Outsized Market Cap) for the purposes of the Innovative Company Requirements.

Outsized Market Cap Characteristic

116. The Outsized Market Cap Characteristic has been in place since the implementation of the WVR listing regime in 2018 and has been applied on a principles-based basis. While prescribing quantitative thresholds could increase the objectivity and certainty of the test, we note from our vetting experience that:

    (a) A bright-line test could risk turning the assessment into a "box-checking" exercise, which may detract from a holistic evaluation of whether an applicant's market-capitalisation-to-tangible-assets ratio meaningfully reflects the value generated by its innovation.

    (b) Rigid benchmarks could unfairly favour applicants from industries that are inherently asset-light or command exceptionally high valuation multiples relative

[46] Guide for New Listing Applicants (last updated 24 July 2026), Chapter 2.2, paragraphs 4 and 5.

to tangible assets (for example, certain AI-based businesses), while disadvantaging innovative companies in sectors with different profiles.

117. For the above reasons, the Exchange will continue to adopt the current qualitative, case-by-case assessment to ensure that the characteristic is applied in a fair and proportionate manner.

Application of Innovative Characteristics to Route B

118. In view of the almost unanimous support from respondents, we will adopt the proposed refinements to the Innovative Characteristics that are applicable to Route B (as set out in paragraphs 96 and 98 above).[47]

119. The Exchange will publish guidance and listing decisions as appropriate, to provide the market with greater clarity on what constitutes a "new business model" and how the Route B criteria are applied in practice.

CAGR Growth Characteristic

120. As stated in the Consultation Paper, the 30% revenue CAGR threshold is intended to provide a clear, objective benchmark for assessing business model innovation under Route B, and is grounded in empirical analysis of precedent cases.[48]

121. For the avoidance of doubt, the 30% revenue CAGR requirement will be calculated by reference to annual revenue over the three financial years of the applicant's trading record.

122. The Exchange will allow applicants the flexibility to rely on alternative operational metrics (e.g. gross merchandise value) that demonstrate an equivalent rate of growth, where the applicant can establish to the Exchange's satisfaction that such metrics are more relevant and comparable indicators of its business growth. The Exchange considers that this flexibility should accommodate a broad range of applicants across different industries and business models.

123. We would also like to clarify that the CAGR Growth Characteristic and the "success of the company" requirement serve distinct purposes, whereby:

(a) ***CAGR Growth Characteristic:*** This characteristic is designed to add objectivity to the innovativeness assessment under Route B in light of the inherent difficulty of assessing business model innovation, and to provide a measurable benchmark for demonstrating that the applicant's innovative business model has translated into strong revenue growth; and

(b) ***"Success of the company" requirement:*** This requirement is a more holistic assessment that takes into account a broader range of operational metrics and

[47] Guide for New Listing Applicants (last updated 24 July 2026), Chapter 2.2, paragraphs 4 and 5.

[48] See paragraph 146 of the Consultation Paper.

the company's growth trajectory, including how historical revenue growth was achieved.

124. Accordingly, meeting the 30% CAGR threshold would not, on its own, satisfy the "success of the company" criterion. Additional profitability or sustainability metrics (see paragraph 108) will form part of the holistic "success of the company" assessment.

Industry Position Characteristic

125. The Exchange acknowledges suggestions for further guidance on what constitutes a "relatively prominent position" in an applicant's industry (see paragraph 110). We will consider issuing guidance, as appropriate, in the future to elaborate on how "industry position" is assessed.

C. External Validation

Proposals

Meaning of "sophisticated investor"

126. We proposed to provide further guidance on the meaning of a "sophisticated investor" for the purpose of the "external validation" requirement by referring to the existing guidance for SPACs and Specialist Technology Companies.[49]

Minimum investment threshold for Route B applicants

127. In the case of an applicant pursuing Route B, we also proposed to provide more certainty on what constitutes "meaningful third-party investment" for the purpose of the "external validation" requirement by setting a 10% aggregate investment threshold.[50]

Responses received

128. Of those who supported the provision of a choice of Route A and Route B:

(a) 98% agreed with the proposed guidance on the meaning of a "sophisticated investor" for the purpose of the "external validation" requirement (as set out in paragraph 125 above) and 2% opposed it;[51] and

(b) 98% agreed with the proposed guidance on what constitutes "meaningful third-party investment" for Route B applicants for the purpose of the "external validation" requirement (as set out in paragraph 126 above) and 2% opposed it.[52]

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[49] See paragraph 134 of the Consultation Paper.

[50] See paragraph 135 of the Consultation Paper.

[51] Question 7(b) of the Consultation Paper.

[52] Question 7(c) of the Consultation Paper.

Comments

Meaning of "sophisticated investor"

129. Respondents agreed that clearer guidance would enhance regulatory certainty and consistency across the Exchange's listing regimes. The cross-referencing of existing guidance was considered to promote consistency and reduce the risk of divergent interpretations.

130. A few respondents noted that a principles-based approach is preferable as it accommodates evolving market practices. They agreed with the inclusion of institutional investors, sovereign wealth funds, established private equity or venture capital firms, and corporate venture arms of major corporations as sophisticated investors.

Guidance sought

131. One respondent suggested that the guidance should explicitly exclude passive index funds whose participation was driven by index inclusion rather than fundamental analysis, short-term trading-oriented hedge funds, and any affiliated or connected parties of the applicant or its controlling shareholders, to prevent circular validation arrangements.

132. Another respondent asked the Exchange to clarify the point in time at which an investor's assets under management, fund size or investment portfolio size (as the case may be) would be assessed.

Minimum investment threshold for Route B applicants

133. Supporting respondents welcomed the certainty provided by a quantified investment threshold (as compared with the previous subjective assessment), and considered that the 10% benchmark was an appropriate general standard for demonstrating genuine commercial conviction from sophisticated investors.

134. Respondents generally welcomed the Exchange's retained discretion to accept a lower percentage on a case-by-case basis where the absolute investment amount was substantial. These respondents emphasised the importance of this flexibility, and noted that a rigid 10% threshold could inadvertently exclude the type of large founder-led companies that Route B was designed to accommodate.

135. Two respondents suggested introducing objective benchmarks incorporating an absolute investment amount for very large issuers, for example, applicants with an expected market capitalisation in the range of HK$20 billion to HK$40 billion, to provide greater certainty.

Guidance sought

136. One respondent asked the Exchange to clarify whether any timing requirement would apply to qualifying investments, as is the case for Chapters 18A and 18C of the Main Board Listing Rules.

Our response and conclusion

Meaning of "sophisticated investor"

137. In view of the almost unanimous support from respondents, we will adopt the proposed guidance on the meaning of a "sophisticated investor" for the purpose of the "external validation" requirement (as set out in paragraph 125 above).[53]

138. The proposed guidance on the meaning of a "sophisticated investor" is intended to be consistent with the approach adopted under the existing guidance for SPACs and Specialist Technology Companies. Our intention is to maintain a consistent approach across different listing regimes and to reduce the complexity of the test.

139. In line with the current approach, the Exchange will assess investor sophistication on a case-by-case basis by referring to the factors set out in the guidance, i.e. its relevant investment experience, and its knowledge and expertise in the relevant field, which could be demonstrated by its net assets, assets under management, size of its investment portfolio or track record of investments, where applicable;[54] however, we will not introduce explicit exclusions as a respondent suggested (see paragraph 130).

140. With regard to the timing of our assessment of an investor's assets under management, fund size or investment portfolio size, the Exchange will apply the existing guidance.[55]

Minimum investment threshold for Route B applicants

141. In view of the almost unanimous support from respondents, we will adopt the proposed guidance on what constitutes "meaningful third-party investment" for Route B applicants for the purpose of the "external validation" requirement (as set out in paragraph 126 above).[56]

142. As stated in the Consultation Paper, the Exchange's proposed discretion to accept a lower aggregate investment percentage is premised on a substantial investment amount in absolute dollar terms and an expected market capitalisation of over HK$20 billion at the time of listing, among other factors.[57] We consider this flexibility to be sufficiently clear to accommodate large-cap applicants.

143. For the avoidance of doubt, the 10% threshold is assessed on an aggregate basis. We have clarified in our guidance that the applicant must have previously received

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[53] Guide for New Listing Applicants (last updated 24 July 2026), Chapter 2.2, footnote 10.

[54] The Exchange would normally consider an investor that meets any of the applicable qualification criteria under (i) paragraphs 16 to 20 of Chapter 2.4 and (ii) paragraphs 20 to 24 of Chapter 2.5 of the Guide for New Listing Applicants (last updated 24 July 2026) as sophisticated for this purpose.

[55] Guide for New Listing Applicants (last updated 24 July 2026), Chapter 2.5, paragraph 25. This means that the size of the assets under management, the fund or the investment portfolio (as the case may be) should be given as of: (a) a date which is no more than six months prior to the date of signing of the definitive agreement for the investors' relevant investment in the applicant; and (b) a date which is no more than six months prior to the date of the listing application.

[56] Guide for New Listing Applicants (last updated 24 July 2026), Chapter 2.2, footnote 9.

[57] See paragraph 135(b) of the Consultation Paper.

meaningful investment from at least one sophisticated investor, which, together with any proceeds from offer shares issued to sophisticated investors at the time of listing, would result in such amount of shares (or securities convertible into shares) equivalent to at least 10% of the applicant's issued share capital at the time of listing.[58]

144. To provide flexibility and reduce the complexity of the requirement, the Exchange will not set a minimum per-investor threshold.

145. We have also clarified in our guidance that for Route A applicants, an investment from at least one sophisticated investor would qualify as meaningful third-party investment provided it is more than a token investment.[59] No quantitative minimum investment threshold would be imposed.

[58] Guide for New Listing Applicants (last updated 24 July 2026), Chapter 2.2, footnote 9.

[59] Guide for New Listing Applicants (last updated 24 July 2026), Chapter 2.2, footnote 9.

CHAPTER 3: ISSUERS LISTED OVERSEAS

146. This chapter sets out key comments from respondents to our consultation proposals related to issuers listed overseas (as set out in Chapter 3 of the Consultation Paper), the Exchange's response to that feedback, and its conclusions.

I. Qualification Requirements for Secondary Listings

A. Issuers with WVR structures

Proposal

147. We proposed to lower the financial eligibility thresholds for a secondary listing of an overseas issuer with a WVR structure to align them with those proposed for WVR issuers with a primary listing (see paragraph 15 in Section I of Chapter 2), such that:

(a) WVR Test A would be modified to an expected market capitalisation of at least HK$20 billion at the time of listing; and

(b) WVR Test B would be modified to an expected market capitalisation of at least HK$6 billion and revenue of at least HK$600 million for the most recent audited financial year.[60]

Responses received

148. Of those who agreed with the proposed WVR Financial Eligibility Test thresholds for primary listing (see paragraph 17 in Section I of Chapter 2), 100% agreed with the proposal to lower the financial eligibility thresholds for a secondary listing of an overseas issuer with a WVR structure to align them with those proposed for WVR issuers with a primary listing (as set out in paragraph 146 above).[61]

Comments

149. Respondents agreed that alignment of financial thresholds for primary and secondary WVR listings was logical and necessary to maintain consistency across the listing framework.

150. Some respondents believed that the proposal would facilitate homecoming listings by Greater China Issuers currently listed overseas (particularly in the US) and would support Hong Kong's strategic objective of attracting such issuers. Some noted that a significant pool of overseas listed Greater China Issuers had been unable to pursue a secondary listing in Hong Kong due to the existing higher thresholds.

[60] See paragraph 173 of the Consultation Paper.

[61] Question 8 of the Consultation Paper.

151. Several respondents noted that the reduced thresholds would still ensure that only relatively large issuers with a strong compliance track record would be eligible for secondary listing. They added that secondary listed issuers would continue to be subject to the regulatory oversight of their primary listing market, providing an additional layer of investor protection.

152. One respondent cited the same concern it expressed on the proposed reduction in primary listing WVR thresholds that the proposal would extend secondary listing eligibility to WVR issuers of a market capitalisation that institutional investors would typically classify as "small-cap" (see paragraph 21(b)).

153. One respondent called for enhanced safeguards to accompany the threshold reduction, such as requiring the votes of interested or connected parties to be excluded when approving connected transactions for secondary listed issuers. This respondent noted that secondary listed issuers are currently exempt from certain Listing Rules[62] (e.g. connected transaction rules) and expressed concern that the combination of lower eligibility thresholds and continued exemptions could widen the gap in minority shareholder protection.

Our response and conclusion

154. In view of the almost unanimous support from respondents, we will adopt the proposal to lower the financial eligibility thresholds for a secondary listing of an overseas issuer with a WVR structure to align them with those proposed for WVR issuers with a primary listing (as set out in paragraph 146 above).

155. The Exchange's secondary listing regime is premised on reliance on the regulatory framework of the issuer's primary listing market. Secondary listed issuers with a WVR structure are required to have a track record of good regulatory compliance on a Qualifying Exchange and remain subject to the continuous regulatory oversight and disclosure requirements of that exchange.

156. We also wish to emphasise that our reliance on regulation by the primary listed market of a secondary listed issuer is predicated on the majority of trading in that issuer's securities occurring overseas. The Exchange would not rely upon that overseas regulatory framework if the majority of trading in a secondary listed issuer's securities migrated to the Exchange. In such circumstances, the issuer would be required to convert to a primary listing in accordance with our conversion guidance.[63] The exemptions that apply to a secondary listing would then no longer apply to that issuer.

157. To date, no material governance issue has arisen from existing secondary listed issuers with a WVR structure.

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[62] MB Rule 19C.11.

[63] MB Rule 19C.13; and Guidance letter HKEX-GL112-22 (Change of listing status from secondary listing to dual primary or primary listing on Main Board) (last updated in July 2026).

158. As set out in our response in Chapter 2, we believe that the proposed threshold appropriately balances market competitiveness against investor protection (see paragraph 25).

B. Issuers without WVR structures

Proposals

Criteria B

159. We proposed to lower the market capitalisation threshold under Criteria B from HK$10 billion to HK$6 billion.[64]

Criteria A

160. We proposed to retain the market capitalisation threshold of HK$3 billion under Criteria A.[65]

Responses received

161. Of those who agreed with the proposal to lower the financial eligibility thresholds for a secondary listing of an overseas issuer with a WVR structure (see paragraph 147 above), 100% agreed with the proposal to lower the market capitalisation threshold under Criteria B from HK$10 billion to HK$6 billion (as set out in paragraph 158 above).[66]

162. 98% of respondents supported the proposal to retain the market capitalisation threshold under Criteria A (as set out in paragraph 159 above) and 2% opposed it.[67]

Comments

Criteria B

163. Many respondents agreed with the proposal on the basis that it helps avoid an anomaly whereby a non-WVR issuer, which does not carry the additional governance risks associated with WVR structures, would face a more stringent market capitalisation requirement than a WVR issuer seeking secondary listing under the proposed WVR Test B.

164. Respondents also noted that the reduction would broaden the pool of eligible mid-to-large-cap overseas issuers and facilitate further homecoming listings, while the two-year compliance track record requirement on a Qualifying Exchange would continue to serve as an adequate gatekeeping criterion.

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[64] See paragraph 177 of the Consultation Paper.

[65] See paragraph 178 of the Consultation Paper.

[66] Question 9 of the Consultation Paper.

[67] Question 10 of the Consultation Paper.

Criteria A

165. Respondents noted that the HK$3 billion market capitalisation threshold maintains a viable pathway for smaller but high-quality issuers with strong compliance records on Qualifying Exchanges or Recognised Stock Exchanges. Retaining this threshold demonstrates regulatory balance, signalling the Exchange's continued commitment to market quality and investor protection alongside the broader liberalisation of the listing framework.

166. Supporting respondents also believed that the five-year compliance track record required under Criteria A serves as a robust qualitative substitute for a higher financial entry bar. Several noted that a five-year track record approximates a full business cycle and provides the Exchange and investors with substantial assurance of an issuer's governance quality, disclosure reliability, and sustained operations, thereby justifying the current lower market capitalisation threshold.

Alternative suggestions

167. A few respondents suggested further relaxation or enhancement to Criteria A and Criteria B:

(a) One respondent suggested reducing the Criteria B market capitalisation threshold further to HK$4 billion, to align with the market capitalisation threshold under the market capitalisation/revenue test[68] applicable to primary listings.

(b) One respondent suggested lowering the Criteria A market capitalisation threshold to HK$2 billion, to align with the market capitalisation requirement under the market capitalisation/revenue/cash flow test[69] for primary listing.

(c) Three respondents suggested shortening the "good regulatory compliance" period under Criteria A (currently five financial years), of which one recommended three financial years to align with the usual track record period for primary listing on the Main Board.

(d) One respondent suggested consolidating Criteria A and Criteria B into a single set of "Streamlined Criteria" requiring: (i) a three-year compliance track record; and (ii) a market capitalisation of at least HK$3 billion.

Our response and conclusion

168. In view of the near-unanimous support from respondents, we will adopt the proposals to lower the market capitalisation threshold under Criteria B from HK$10 billion to HK$6 billion (as set out in paragraph 158 above) and to retain the market capitalisation threshold under Criteria A (as set out in paragraph 159 above).

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[68] MB Rule 8.05(3).

[69] MB Rule 8.05(2).

169. With regard to Criteria A, the Exchange notes that:

(a) The current HK$3 billion market capitalisation threshold, accompanied by a longer compliance track record of five full financial years, already represents a materially lower bar than the proposed HK$6 billion threshold under Criteria B, reflecting the greater assurance provided by the longer track record.

(b) The longer track record period serves as an important safeguard, particularly given Criteria A extend to issuers listed on Recognised Stock Exchanges that are not Qualifying Exchanges, to ensure a sufficiently long compliance record for issuers listed on exchanges with varying regulatory standards.

170. In respect of respondents' suggestions regarding a potential relaxation or enhancement of Criteria A and Criteria B (see paragraph 166), the Exchange wishes to emphasise that the design of our secondary listing regime is guided by the reliance on the regulatory and enforcement framework of an issuer's primary listing market to provide sufficient investor protection. As secondary listings are exempted from compliance with the Rules to a significant extent, we believe a higher market capitalisation threshold and a relatively long track record of good regulatory compliance are necessary to demonstrate the quality of the issuer and sufficient investor confidence in its position and prospects.

171. Criteria B are available only to issuers listed on a Qualifying Exchange, on the basis that these exchanges are large, well-developed markets with high standards of investor protection that are the closest peers to the Exchange among the Recognised Stock Exchanges. The Exchange wishes to retain this differentiation and does not intend to consolidate Criteria A and Criteria B into one set of criteria at this time.

II. Conversion to Primary Listing

Background

172. Although we did not propose to alter the substance of our requirements on a change of listing status from a secondary listing to a (dual) primary listing, we stated in the Consultation Paper that we would redraft these requirements and provide more guidance on the typical steps issuers need to take to comply so that issuers can easily identify the commonalities and differences between these routes.[70]

Comments

173. Several respondents expressly supported the Exchange's move to provide further guidance on conversion to primary listing. Two of them suggested that the Exchange publish practical, step-by-step guidance on the process for converting from secondary to primary listing status, including indicative timelines and checklists. Another respondent suggested that the conversion path be standardised and simplified.

174. One respondent added that the Exchange should continue facilitating conversion to primary listing, as a growing number of secondary listed issuers, who are subject to lower regulatory standards, may cause shareholder protection to deteriorate in the Hong Kong market.

Our response and conclusion

175. The Exchange notes respondents' support for further guidance on conversion from secondary listing to primary listing. The Exchange will update its guidance to present, in a more accessible manner, the typical steps and key requirements for conversion from secondary listing to dual primary listing or primary listing. The revised guidance is intended to improve transparency and usability of the existing framework and would not alter the substantive requirements applicable to such conversions.

[70] See paragraphs 184 and 185 of the Consultation Paper.

III. Further Facilitative Measures for Issuers Listed Overseas

Views sought

176. We sought views on possible measures to further facilitate the listings, in Hong Kong, of issuers listed overseas (including but not limited to homecoming listings of Greater China Issuers), and any accompanying conditions for the suggested measures.[71]

Responses received

177. 43 respondents provided substantive suggestions on measures to further facilitate the listings of issuers listed overseas.

Comments

Suggestions applicable to dual primary and secondary listings

Establishing a dedicated advisory channel for issuers listed overseas

178. Many respondents supported the establishment of a dedicated pre-application channel or advisory service for overseas listed issuers considering a Hong Kong listing. Several respondents suggested that this could be modelled on TECH and should be staffed by personnel with specialist expertise in cross-border listing matters. Respondents noted that such a channel would help prospective issuers identify eligibility issues and key regulatory concerns at an early stage, reduce execution risk and abortive costs, and improve the overall predictability of the listing process.

Providing a grace period or pathway for non-compliant WVR structures

179. Many respondents supported the formalisation of a grace period (typically six to 12 months) for overseas listed issuers with pre-existing WVR structures not fully compliant with Hong Kong's requirements, allowing them to list first and transition into compliance over a defined timeframe. These respondents noted that:

    (a) The current regime created an inequitable two-tier system, whereby Grandfathered Greater China Issuers and Non-Greater China Issuers could retain non-compliant structures whilst Non-Grandfathered Greater China Issuers were required to restructure fully.

    (b) Grandfathered Greater China Issuers listed on the Exchange have had no material non-compliance issues despite retention of their pre-existing non-compliant WVR structures.

    (c) The current ad hoc, case-by-case approach would limit regulatory certainty and predictability for applicants and their advisers.

[71] Question 11 of the Consultation Paper.

180. A few respondents suggested that the Exchange develop a codified pathway to accommodate non-compliant WVR structures on a more permanent basis, particularly for issuers whose structures were common and accepted in major international markets. They suggested that such structures should be subject to tailored safeguards, such as:

(a) Clear eligibility criteria (including a strong compliance track record);

(b) Enhanced disclosure (e.g. non-compliant features and remediation plans);

(c) Independent board oversight; and

(d) Sunset clauses or binding restructuring commitments.

181. One respondent expressed opposition to automatic grandfathering of non-compliant governance features in WVR structures and suggested that grace periods may be granted only in exceptional cases of technical non-compliance.

Accelerating and streamlining the vetting process

182. Several respondents suggested that the Exchange introduce a "fast track" listing process, or extend the accelerated vetting process currently available to eligible A-share listed companies[72] to issuers listed on other well-established exchanges.

183. One respondent suggested that the Exchange adopt a more pragmatic approach to vetting for large overseas listed companies meeting certain threshold criteria, including exercising greater flexibility where disparities between Hong Kong and the home jurisdiction's rules exist.

Suggestions applicable to dual primary listings only

Reviewing connected transaction and notifiable transaction requirements

184. A few respondents identified the complexity of Hong Kong's connected transaction rules as a significant concern for overseas listed issuers contemplating a primary listing in Hong Kong. These respondents suggested that the Exchange undertake a comprehensive review of Chapter 14A of the Main Board Listing Rules.

Suggestions applicable to secondary listings only

Allowing incorporation by reference and streamlining listing document disclosure

185. The most widely raised suggestion among respondents was for the Exchange to permit secondary listing applicants to incorporate by reference documents already filed with, and publicly available on, their primary exchange or relevant securities regulator (such as SEC filings on the EDGAR system). This could be supplemented by a concise Hong Kong-specific disclosure document addressing material differences in governance, shareholder protection, connected transactions, and risk factors.

[72] SFC and HKEX, Joint Statement on Enhanced Timeframe for New Listing Application Process, 18 October 2024.

186. Many respondents noted that the current requirement for secondary listing applicants to prepare a full standalone listing document to the same disclosure standard as applicants seeking a primary listing imposed significant cost and time burdens without commensurate benefit, given that these issuers already had established public disclosure records and substantial shareholder bases. These respondents commented that adopting such a streamlined approach would bring Hong Kong in line with peer markets and make it a more competitive listing destination.

187. Some respondents believed that any streamlining should be accompanied by appropriate safeguards, including ensuring that incorporated documents are readily accessible to Hong Kong investors and that clear disclosure is provided on material differences between the overseas regime and Hong Kong standards. One respondent cautioned that streamlining should focus on avoiding duplication rather than reducing the substance of information relevant to Hong Kong investors.

Harmonising ongoing compliance obligations and broadening waivers

188. Several respondents suggested that the Exchange further harmonise ongoing compliance obligations for secondary listed issuers with those of their primary listing venues, including granting broader automatic waivers from certain continuing obligations rather than requiring case-by-case waiver applications, and codifying guidance on common waivers. Examples of these waivers include: exempting issuers from Hong Kong disclosure of interest requirements[73] where comparable rules exist in the primary market; and permitting general mandates for share repurchases.[74]

189. Two respondents also suggested that the Exchange explore the mutual recognition of equivalent regulatory requirements of Qualifying Exchanges, to reduce duplicative compliance burdens more broadly.

Expanding the list of Recognised Stock Exchanges

190. Three respondents suggested that the Exchange expand the list of Recognised Stock Exchanges to include mainstream exchanges in Southeast Asia, Europe, and the Middle East to broaden the pool of eligible secondary listing applicants. However, one respondent cautioned against expanding the list of Qualifying Exchanges to include venues with lower governance or enforcement standards.

Other suggestions

Proactive engagement and outreach

191. Several respondents suggested that the Exchange continue to strengthen its proactive engagement with overseas-listed issuers and their advisers in priority markets and sectors, including through periodic workshops, briefing sessions, and coordinated outreach presenting Hong Kong as a capital markets and business platform.

[73] MB Practice Note 5, paragraph 2.

[74] MB Rule 13.36.

192. Two respondents also called for clearer guidance on navigating practical challenges arising from differences in market infrastructure between Hong Kong and other jurisdictions, such as reconciling scripless share systems with Hong Kong's requirements on physical share certificates and addressing flexibility with respect to CCASS rules.

Stock Connect eligibility for secondary-listed issuers

193. Three respondents suggested that the Exchange explore the inclusion of eligible secondary-listed issuers (or depositary receipts) in the Southbound Stock Connect programme, noting that this would be a key attraction for overseas issuers considering a Hong Kong listing and would enhance post-listing liquidity and valuations. These respondents acknowledged that such a measure would require facilitation by the relevant Mainland authorities.

Our response and conclusion

194. We thank respondents for their feedback on potential measures to further facilitate the listings, in Hong Kong, of issuers listed overseas.

195. The Exchange has conducted a broader review of the continuing obligations applicable to listed issuers as part of the second phase of the competitiveness review exercise. The relevant reform proposals will be presented in a separate consultation paper to be published in due course.

196. The Exchange reviews and updates the list of Recognised Stock Exchanges on an ongoing basis. In recent years, the Exchange has added several exchanges to the list, including the Saudi Exchange and the Indonesia Stock Exchange in 2023, the Abu Dhabi Securities Exchange and the Dubai Financial Market in 2024, the Stock Exchange of Thailand in 2025, and Bursa Malaysia in 2026. To date, the list comprises 21 Recognised Stock Exchanges across 19 countries.

197. The Exchange will continue to review the list from time to time, with a view to facilitating secondary listings by issuers that meet appropriate quality and regulatory standards from a diverse range of markets, whilst ensuring that the exchanges on the list maintain robust regulatory and governance standards consistent with the protection of Hong Kong investors.

198. We will consider other comments from respondents and continue to work with various stakeholders to formulate detailed proposals to foster a positive market environment for the listings of issuers listed overseas.

CHAPTER 4: INITIAL LISTING REQUIREMENTS AND LISTING ARRANGEMENTS

199. This chapter sets out key comments from respondents to our consultation proposals related to initial listing requirements and listing arrangements (as set out in Chapter 4 of the Consultation Paper), the Exchange's response to that feedback, and its conclusions.

I. Ownership Continuity and Control

Proposals

Codification of existing Ownership Continuity Requirement guidance

200. We proposed to codify our existing guidance into a Rule to state that an applicant will be considered to have satisfied the Ownership Continuity Requirement[75] if it can demonstrate, to the Exchange's satisfaction, that there was no material change in influence on management for at least the most recent audited financial year up until the time immediately prior to listing (the **Relevant Period**) despite a change in controlling shareholder over that period to address any packaging concerns.[76]

Consequential updates to Ownership Continuity Requirement guidance

201. We also proposed to make consequential changes to our guidance to emphasise the applicant's responsibility to demonstrate no material change in management influence and the Exchange's power to reject a listing application.[77]

Responses received

202. 94% of respondents supported the proposal to codify the existing guidance into a Rule (as set out in paragraph 199 above) and 6% opposed it.[78]

203. Of those who agreed with the proposal to codify the existing guidance into a Rule, 100% agreed with the proposed consequential updates to our guidance (as set out in paragraph 200 above).[79]

[75] MB Rule 8.05.

[76] See paragraph 205 of the Consultation Paper.

[77] See paragraph 207 of the Consultation Paper.

[78] Question 12 of the Consultation Paper.

[79] Question 13 of the Consultation Paper.

Comments

Codification of existing Ownership Continuity Requirement guidance

204. Many respondents thought that codifying the existing guidance into a Rule would enhance regulatory certainty and transparency for applicants and their advisers, allowing applicants and sponsors to plan listing timelines with greater confidence.

205. Some respondents supported the proposal's substance-over-form approach, which focuses on continuity of management influence rather than purely on formal changes in legal shareholding. They noted that:

   (a) Changes in the controlling shareholder do not necessarily result in a substantive change in control or influence over management, as corporate structures may evolve for legitimate commercial or financing reasons.

   (b) The proposed approach is consistent with the underlying policy intent of the Ownership Continuity Requirement, which is to prevent "packaging" rather than to impose a rigid formalistic test.

   (c) The proposal appropriately preserves the Exchange's discretion to reject applications where genuine packaging concerns arise and strikes a reasonable balance between facilitating market development and protecting investors.

206. Respondents widely noted that the proposal would be particularly beneficial for applicants from high-growth sectors, including the technology and biotechnology sectors, which frequently undergo multiple rounds of pre-IPO fundraising from existing or new investors. Several respondents believed that this would help attract more high-tech and biotech companies to list in Hong Kong.

207. Nonetheless, a few supporting respondents stressed that the proposed codification should not operate as an automatic safe harbour. These respondents agreed that management continuity should continue to serve as a valid rebuttal to a change in ownership. However, the Exchange should retain the power to assess the totality of the circumstances to protect market integrity and, in doing so, should judge whether management influence has genuinely remained stable to determine whether potential packaging or restructuring risks arise from changes in controlling shareholders.

208. Two respondents did not support the codification proposal on the following grounds:

   (a) Ownership continuity is a key indicator of accountability for an issuer's historical performance. Since controlling shareholders typically exercise strategic influence beyond formal management roles, focusing solely on "no material change in influence on management" may fail to capture the full impact of a change in control.

   (b) The proposed test would introduce subjectivity into what is currently a relatively clear and objective bright-line requirement, which may lead to inconsistent interpretations across cases and reduce transparency.

(c) Material changes in management may only emerge after listing. For example, a new controlling shareholder may acquire a stake, maintain the appearance of management continuity during the pre-listing period, and subsequently exit via the IPO.

209. Two respondents suggested more fundamental changes to the Ownership Continuity Requirement:

(a) One respondent noted that the proposal may collapse the ownership continuity test into the management continuity test.[80] This respondent suggested replacing the Ownership Continuity Requirement with a more targeted "substantive anti-packaging test" focused on genuine business substance. For example, such a test could ensure that no material non-arm's length acquisitions or disposals, artificial reshuffling of management or resources, or cosmetic reorganisation of group assets had taken place during the track record period.

(b) Another respondent proposed removing the Ownership Continuity Requirement altogether, arguing that packaging concerns would be better addressed under the listing suitability assessment. This respondent also suggested relaxing the management continuity requirement to a period shorter than three years, noting that major exchanges in the UK and US have no equivalent requirement.

Consequential updates to Ownership Continuity Requirement guidance

210. All respondents supporting the codification proposal generally also supported the consequential updates to the guidance, noting that the proposed updates are a logical and necessary complement to the codification, ensuring consistency and alignment between the Rule and existing guidance materials. These respondents also believed that the proposed updates would provide clarity on evidential standards and preserve the integrity of the listing process.

211. A notable number of supporting respondents encouraged the Exchange to provide further guidance on how the "no material change in influence on management" test would be applied in practice to promote regulatory consistency, certainty, and transparency. In particular:

(a) Some respondents asked the Exchange to provide non-exhaustive factors it would consider in the assessment, including but not limited to: continuity of senior management personnel; stability of board composition and decision-making control; continuity of business strategy and operational direction; terms of shareholder agreements; veto or negative control rights; voting agreements or proxy arrangements; and the absence of contractual or governance arrangements conferring substantive control on new shareholders.

[80] MB Rules 8.05(1)(b), (2)(b) and (3)(b) (GEM Rules 11.12A(3) and (4)(c)).

(b) A few other respondents suggested that the Exchange provide illustrative examples covering both scenarios where the Exchange was satisfied and those where it was not.

Our response and conclusion

Codification of existing Ownership Continuity Requirement guidance

212. In view of the strong support from respondents, we will codify our existing guidance on the Ownership Continuity Requirement into a Rule (as set out in paragraph 199 above).

213. The Exchange's proposed codification is intended only to formalise its existing long-standing practice in the Listing Rules. It does not introduce a new requirement, nor does it modify the basis on which the Exchange assesses ownership continuity and control and/or any material change in management influence. Under our existing practice, the Exchange makes a fact-specific assessment of whether management influence has remained materially unchanged despite a change in controlling shareholder. We believe that codifying this practice into a Rule increases, rather than decreases, transparency and certainty for listing applicants.

214. As stated in the Consultation Paper, if a change in ownership control has occurred, the applicant bears the responsibility to demonstrate, to the Exchange's satisfaction, that there was no material change in influence on management during the Relevant Period.[81] This may include a change due to strategic influence exercised by the controlling shareholder from a non-formal management role.

215. The Exchange retains the power to reject applications where genuine packaging concerns arise.[82] This should provide an important safeguard against inconsistent or inappropriate outcomes arising from the proposed codification. Any change disguised to maintain the appearance of management continuity during the Relevant Period may constitute a breach of both the Listing Rules and the law.[83]

216. We note respondents' suggestions for alternative approaches to the Ownership Continuity Requirement (see paragraph 208). As these suggestions go beyond the scope of the current proposals, we will consider them in future reviews of the listing framework as appropriate.

Consequential updates to Ownership Continuity Requirement guidance

217. In view of the unanimous support from respondents, we will adopt the proposal to make consequential updates to our guidance (as set out in paragraph 200 above).[84]

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[81] See paragraph 206 of the Consultation Paper.

[82] See paragraph 206 of the Consultation Paper.

[83] MB Rule 9.03(3A)(a) (GEM Rule 12.09(3A)(a)). See also sections 38, 40, 40A, 342, 342E and 342F of the C(WUMP)O.

[84] Guide for New Listing Applicants (last updated 24 July 2026), Chapter 1.1C, paragraphs 4 and 5.

218. To enhance clarity and facilitate understanding of how the codified Rule will be applied, the Exchange will continue to publish listing decisions, as necessary, on circumstances in which an applicant fails to demonstrate its compliance with the Ownership Continuity Requirement.

II. Financial Reporting Standards

Proposals

Expansion of the permitted use of US GAAP

219. We proposed to expand the permitted use of US GAAP to: (a) subsidiary companies of a US-listed parent seeking to list on the Exchange; and (b) companies with substantial business operation(s) in the US, subject to specified conditions.[85]

Removal of reversion requirement upon US delisting

220. We proposed to remove the requirement that a US-listed issuer using US GAAP must revert to preparing financial statements using HKFRS or IFRS if it subsequently delists from the US.[86]

Removal of auditor review requirement for Reconciliation Statement

221. We also proposed to remove the requirement for a Reconciliation Statement produced for the purpose of unaudited financial reports to be "reviewed" by auditors.[87]

Responses received

222. 98% of respondents supported the expansion of the permitted use of US GAAP (as set out in paragraph 218 above) and 2% opposed it.[88]

223. 90% of respondents supported the removal of the requirement that a US-listed issuer using US GAAP must revert to preparing financial statements using HKFRS or IFRS if it subsequently delists from the US (as set out in paragraph 219 above) and 10% opposed it.[89]

224. 85% of respondents supported the removal of the requirement for a Reconciliation Statement produced for the purpose of unaudited financial results to be reviewed by auditors (as set out in paragraph 220 above) and 15% opposed it.[90]

Comments

Expansion of the permitted use of US GAAP

225. Respondents broadly agreed that expanding the permitted use of US GAAP would reduce compliance costs and the administrative burden of preparing dual sets of

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[85] See paragraph 213 of the Consultation Paper.

[86] See paragraph 214 of the Consultation Paper.

[87] See paragraph 215 of the Consultation Paper.

[88] Question 14 of the Consultation Paper.

[89] Question 15 of the Consultation Paper.

[90] Question 16 of the Consultation Paper.

financial statements, thereby facilitating listings by subsidiaries of US-listed parents and companies with substantial US operations. Respondents also noted that:

(a) US GAAP is a globally recognised and high-quality accounting framework.

(b) The continued requirements for a Reconciliation Statement and disclosure of material differences would provide adequate investor protection and maintain comparability.

(c) The proposal aligned with the HKSAR Government's policy direction of supporting the "homecoming" listings of China concept stock companies in Hong Kong.

226. Some supporting respondents encouraged the Exchange to consider enhancing disclosure and safeguards to complement the proposal. They noted that:

(a) Disclosure of key accounting differences should go beyond generic summaries and highlight differences most relevant to the issuer's business model (such as revenue recognition, share-based compensation, and lease accounting).

(b) Audit committee oversight and sponsor due diligence standards should not be diluted by the use of US GAAP.

227. The only opposing respondent thought that financial statements for a Hong Kong listing should generally be prepared under HKFRS or IFRS, which are the standards most familiar to Hong Kong investors and most comparable across Hong Kong-listed issuers. The respondent considered that the additional reporting cost was justified in the interest of providing clearer and more familiar financial information for Hong Kong investors.

228. Several respondents suggested that the Exchange provide clearer guidance on what constitutes "substantial business operations in the US" to promote consistent application and reduce uncertainty for applicants. Such guidance may cover: quantitative criteria by reference to revenue, assets, or headcount; and the relevant point in time at which substantiality is assessed.

Removal of reversion requirement upon US delisting

229. Respondents broadly agreed that the reversion requirement imposed an unnecessary compliance burden and acted as a significant deterrent for companies contemplating a listing or primary conversion in Hong Kong. Many respondents noted that transitioning to a new accounting standard could disrupt the continuity of financial reporting and impair cross-period comparability for existing shareholders. They also drew reference to the rationale for expanding the permitted use of US GAAP (see paragraph 224) and noted that:

(a) The quality of US GAAP reporting does not depend on the issuer's US listing status.

(b) Investor protection would be maintained through the continued requirement for a Reconciliation Statement.

(c) The proposal would eliminate a material barrier to primary conversions and support the return of China concept stock companies to Hong Kong.

230. Two supporting respondents suggested that the Exchange should retain discretion to require a transition to HKFRS or IFRS in circumstances where regulatory oversight concerns arise, and that the impact on investor understanding and market practice should be periodically reviewed.

231. The respondent who objected to expanding the permitted use of US GAAP (see paragraph 226) also disagreed with the reversion proposal for similar reasons.

232. One respondent who supported the expansion of the permitted use of US GAAP proposal but opposed the removal of the reversion requirement noted that:

(a) Absent ongoing US reporting obligations or a substantial US shareholder base, there was no clear policy reason for an issuer to continue preparing financial statements under US GAAP.

(b) The familiarity of HKFRS or IFRS to local investors should outweigh the cost savings for the issuer, and that any flexibility should be limited and accompanied by an appropriate transition period.

Removal of audit review requirement for Reconciliation Statement

233. Respondents broadly agreed that removing the audit review requirement for the Reconciliation Statement was consistent with the assurance level for the underlying interim financial reports, which are not required to be audited or reviewed by external auditors. In particular, these respondents noted that:

(a) Requiring an auditor review of a Reconciliation Statement derived from unaudited financial information was logically inconsistent and provided limited additional assurance.

(b) The proposal would reduce compliance costs and accelerate the release of interim results, while the continued requirement for audit committee review would provide an appropriate level of internal oversight.

234. A few supporting respondents suggested that the Exchange should retain the discretion to require additional assurance in limited circumstances (such as where novel accounting issues arise or where reconciliation movements are significant or unusual), and should monitor the quality of unreviewed Reconciliation Statements following implementation.

235. Several respondents disagreed with the proposal, citing the following reasons:

(a) Since the preparation of the Reconciliation Statement involves inherently judgmental and technical work, an auditor review provides a necessary quality control and credibility safeguard that should not be removed.

(b) Audit committee members may not always possess sufficient accounting expertise to review such a technically complex document.

(c) The additional cost of an auditor review was justified by the importance of ensuring the reliability of reconciliation information relied upon by investors.

236. One respondent suggested the Exchange provide guidance on the expected scope of an audit committee review of the Reconciliation Statement, including whether the audit committee should satisfy itself as to the methodology, completeness of reconciling items, and accuracy of quantitative adjustments.

Our response and conclusion

Expansion of the permitted use of US GAAP

237. In view of the near-unanimous support from respondents, we will adopt the proposed expansion of the permitted use of US GAAP (as set out in paragraph 218 above).[91]

238. As mentioned by supporting respondents, we believe the proposal strikes an appropriate balance between facilitating listings and protecting investors' interests.

239. Issuers adopting US GAAP are required to set out, in their listing documents, a description of the material differences between US GAAP and the Acceptable Accounting Standards and a Reconciliation Statement setting out the financial impact of any material difference between their financial statements and those prepared using HKFRS or IFRS. They must also include a Reconciliation Statement in each of their annual and interim reports after listing. The Exchange has set out guidance on how a Reconciliation Statement should be prepared to enable investors to make an informed assessment of the issuer's financial position and financial performance.[92]

240. In determining whether an issuer has substantial business operations in the US, we will consider the issuer's specific facts and circumstances, taking into account factors such as the location of the issuer's principal subsidiaries and/or principal assets, and revenue derived from operations in the US as a percentage of the total group revenue. We will consider issuing guidance, as appropriate, in the future, on circumstances that may be considered as having "substantial business operations in the US".

Removal of reversion requirement upon US delisting

241. In view of the strong support from respondents, we will remove the requirement that a US-listed issuer using US GAAP must revert to preparing financial statements using HKFRS or IFRS if it subsequently delists from the US (as set out in paragraph 219 above).[93]

[91] Guide for New Listing Applicants (last updated 24 July 2026), Chapter 2.1, paragraph 30.

[92] Guide for New Listing Applicants (last updated 24 July 2026), Chapter 3.11, paragraphs 7 and 8.

[93] Guide for New Listing Applicants (last updated 24 July 2026), Chapter 3.11, footnote 13.

242. The requirements for a Reconciliation Statement and disclosure of material differences should address investor comparability concerns regardless of the issuer's listing status. We believe that mandating a transition to a new accounting standard upon US delisting imposes a disproportionate burden on issuers, involving the rewriting of internal accounting policies, reconfiguration of financial systems, and restatement of historical financial statements, without bringing significant additional regulatory benefit to existing shareholders, who will have already familiarised themselves with the issuer's US GAAP reporting.

Removal of audit review requirement for Reconciliation Statement

243. In view of the majority support from respondents, we will remove the requirement for a Reconciliation Statement to be reviewed by auditors if it is produced for the purpose of unaudited financial reports (as set out in paragraph 220 above).[94]

244. This change aligns the assurance level for the Reconciliation Statement with that for the underlying interim financial reports, which are not required to be audited or reviewed by external auditors. An issuer that has engaged an external auditor to review its interim financial reports should consider whether the corresponding Reconciliation Statement should similarly be reviewed.

245. We are of the view that an audit committee that is fully compliant with the Listing Rules should be well-positioned to provide meaningful oversight of the Reconciliation Statement. The Exchange is satisfied that the audit committee review, taken together with the full audit of the Reconciliation Statement in the annual accounts, provides an appropriate overall level of assurance for investors. When reviewing Reconciliation Statements, the audit committee should be concerned primarily with the completeness, accuracy and fairness of disclosures.[95]

[94] Guide for New Listing Applicants (last updated 24 July 2026), Chapter 3.11, footnote 12.

[95] For further guidance on the key areas of focus, please refer to "A Guide for Effective Audit Committees" published by the Hong Kong Institute of Certified Public Accountants (formerly known as the Hong Kong Society of Accountants) in February 2002.

III. Commercialised Biotech Companies and Specialist Technology Companies

Proposals

Applicability of the Specialist Chapters to Eligible Specialist Companies

246. We proposed to allow Biotech Companies and Specialist Technology Companies to seek a listing under the applicable Specialist Chapters (i.e. Main Board Chapters 18A and 18C) even if they satisfy one or more of the Rule 8.05 Eligibility Tests (**Eligible Specialist Companies**).[96]

Modification of Specialist Chapter requirements

247. We also proposed to modify the requirements of the Specialist Chapters to be imposed on Eligible Specialist Companies, including the disapplication or modification of certain eligibility, disclosure, ongoing obligation and IPO-related requirements that would otherwise apply under the Specialist Chapters, as summarised in Table 4 below.[97]

Table 4: Summary of modifications of Specialist Chapter requirements to be imposed on Eligible Specialist Companies

Subject	Eligible Specialist Company listing as a commercialised Biotech Company under Main Board Chapter 18A	Eligible Specialist Company listing as a commercialised Specialist Technology Company under Main Board Chapter 18C
Applicable framework	The requirements applicable to a Biotech Company under Main Board Chapter 18A will apply, subject to the modified requirements set out below.	The requirements applicable to a Commercial Company under Main Board Chapter 18C will apply, subject to the exceptions set out below.
Track record period	The existing requirement for a Biotech Company to have a track record of two financial years[98] will not apply. Instead, the applicant must have a financial track record of three financial years.	The existing requirement for a Specialist Technology Company to have a track record of three financial years[99] will continue to apply.

[96] See paragraph 232 of the Consultation Paper.

[97] See paragraph 233 and Table 3 of the Consultation Paper.

[98] MB Rule 18A.06.

[99] MB Rule 18C.03(2).

Subject	Eligible Specialist Company listing as a commercialised Biotech Company under Main Board Chapter 18A	Eligible Specialist Company listing as a commercialised Specialist Technology Company under Main Board Chapter 18C
Primary reason for listing / use of proceeds	The requirement that the primary reason for listing must be to raise funds for R&D to bring its Core Product to commercialisation[100] will not apply.	Not applicable.
Third-party investment requirement	The requirement to have at least one sophisticated investor that has made a meaningful third-party investment into the company at least six months before the proposed date of listing[101] will not apply.	The requirement to have received meaningful investments from sophisticated independent investors[102] will not apply.
Warning statement in listing document	The requirement to prominently disclose, in respect of each Core Product, a warning that the relevant Core Product may not ultimately be successfully developed and marketed[103] will not apply.	The requirement to prominently and legibly display the prescribed warning statement on the front cover or inside front cover of the listing document[104] will not apply.
Remedial period for insufficient operations	The shorter 12-month remedial period applicable to a Biotech Company that fails to maintain sufficient operations[105] will not apply.	Not applicable.
Change to principal business activities	The restrictions on entering into any transaction or arrangement that would result in a change to the applicant's principal business activities[106] will not apply.	Not applicable.
Stock marker	The requirement to add a stock marker "B" to the stock name[107] will not apply.	Not applicable.

[100] Guide for New Listing Applicants (last updated 24 July 2026), Chapter 2.3, paragraphs 3(iii) and 8.

[101] Guide for New Listing Applicants (last updated 24 July 2026), Chapter 2.3, paragraphs 3(v) and 10.

[102] MB Rule 18C.05. Consequently, the lock-up requirement on sophisticated independent investors under MB Rule 18C.14(2) will not apply.

[103] MB Rule 18A.05.

[104] Guide for New Listing Applicants (last updated 24 July 2026), Chapter 2.5, paragraph 55, "warning statement".

[105] MB Rule 18A.09.

[106] MB Rule 18A.10.

[107] MB Rule 18A.11.

Subject	Eligible Specialist Company listing as a commercialised Biotech Company under Main Board Chapter 18A	Eligible Specialist Company listing as a commercialised Specialist Technology Company under Main Board Chapter 18C
Placings to existing shareholders or their close associates (i.e. "double dipping")	The bespoke conditions on placings to existing shareholders or their close associates in an IPO that apply to Biotech Companies[108] will not apply. Instead, the applicant may rely on the size-based exemption from "double dipping" [109] that applies to ordinary Main Board listing applicants.	The bespoke conditions on placings to existing shareholders or their close associates in an IPO that apply to Specialist Technology Companies[110] will not apply. Instead, the applicant may rely on the size-based exemption from "double dipping" [111] that applies to ordinary Main Board listing applicants.

Responses received

248. 95% of respondents supported the proposal to allow Eligible Specialist Companies to seek a listing under the applicable Specialist Chapters (as set out in paragraph 245 above) and 5% opposed it.[112]

249. Of those who agreed with the proposal to allow Eligible Specialist Companies to seek a listing under the applicable Specialist Chapters, 95% agreed with the proposed modifications to the additional requirements under the Specialist Chapters to be imposed on Eligible Specialist Companies (as set out in paragraph 246 and Table 4 above) and 5% opposed them.[113]

Comments

Applicability of the Specialist Chapters to Eligible Specialist Companies

250. Many respondents noted that the current framework produces an anomalous outcome, whereby commercially successful Biotech Companies and Specialist Technology Companies are, in effect, penalised for their own commercial success. These respondents welcomed the proposal as it addresses this issue and ensures that financial

[108] Guide for New Listing Applicants (last updated 24 July 2026): (i) Chapter 2.3, paragraph 18; and (ii) Chapter 4.15, paragraph 15.

[109] Guide for New Listing Applicants (last updated 24 July 2026), Chapter 4.15, paragraph 18.

[110] Guide for New Listing Applicants (last updated 24 July 2026): (i) Chapter 2.5, paragraphs 56 to 59; and (ii) Chapter 4.15, paragraph 15.

[111] Guide for New Listing Applicants (last updated 24 July 2026), Chapter 4.15, paragraph 18.

[112] Question 17 of the Consultation Paper.

[113] Question 18 of the Consultation Paper.

success is recognised as evidence of a company's strength rather than a reason to deprive it of the specialist listing pathway.

251. Some respondents emphasised that the proposal would provide useful flexibility by enabling Eligible Specialist Companies to choose the most appropriate listing pathway based on their business characteristics and to access the benefits of TECH. Several respondents believed that this would enhance Hong Kong's attractiveness as a listing venue for biotech and specialist technology companies.

252. Several respondents added that a company does not cease to be a Specialist Company merely because it has achieved sufficient revenue to satisfy the Rule 8.05 Eligibility Tests. They agreed that the proposal would promote regulatory coherence and encourage consistent application of sector-specific disclosure requirements. The proposal also removes the need for a company to accelerate or delay its listing application around the MB Rule 8.05 eligibility boundary.

253. Several respondents questioned the necessity and practicality of the proposal, noting that:

(a) Most of the intended benefits could be achieved through other proposals in the consultation, including access to confidential filing and the presumption that Qualified Biotech Applicants and Qualified Specialist Technology Applicants would meet the Innovative Company Requirements. They commented that TECH alone does not confer a material advantage over the existing pre-IPO consultation available to all applicants.

(b) The proposal would require modifications to numerous requirements under the Specialist Chapters, creating unnecessary complexity and potential confusion for intended applicants.

254. Two supporting respondents emphasised the importance of ongoing post-listing monitoring and supervisory vigilance to ensure that the expanded eligibility does not dilute listing standards or create opportunities for regulatory arbitrage.

255. One opposing respondent was concerned that admitting Eligible Specialist Companies into the Specialist Chapters would open an expedited pathway to WVR listings and repurpose those chapters in a manner inconsistent with their original design. The respondent recommended that the Exchange instead expand TECH to cover Eligible Specialist Companies as a dedicated advisory resource, without admitting them into the Specialist Chapters.

Modification of Specialist Chapter requirements

256. Many respondents agreed that some of the requirements originally designed for pre-revenue or early-stage companies would not be necessary or proportionate for companies that have already commercialised their products and satisfied the Rule 8.05 Eligibility Tests. In particular:

(a) ***Requirements applicable to early-stage companies:*** Many respondents supported the disapplication of the third-party investment requirement, the warning statement, the use of proceeds restrictions and the shorter remedial period for insufficient operations, noting that these safeguards were introduced to address risks specific to pre-revenue or early-stage companies that do not arise in the same way for commercially mature issuers.

(b) ***Track record period:*** Several respondents supported the extension of the track record period to three financial years, as this aligns Eligible Specialist Companies with ordinary Main Board requirements and appropriately reflects their commercial maturity.

(c) ***"Double dipping":*** Some respondents agreed with applying the ordinary size-based exemption from "double dipping" to Eligible Specialist Companies, given that financially mature companies have less reliance on existing shareholders to support IPO fundraising needs.

257. Two respondents suggested that the Exchange adopt a calibrated approach to the disapplication of the third-party investment requirement, rather than disapplying it in full. They noted that while MB Rule 8.05 financial eligibility reduces the need for external validation, it does not eliminate it entirely, particularly for companies seeking to list with a WVR structure. Suggestions included: lowering the aggregate sophisticated independent investor benchmark; reducing the associated lock-up period; and allowing greater flexibility to satisfy the requirement through pre-IPO and cornerstone investments.

258. One respondent opposed the modifications, taking the view that companies electing to list under the Specialist Chapters should bear the corresponding additional obligations fully, and that otherwise such companies could simply choose to list under Chapter 8 of the Main Board Listing Rules.

259. A few respondents suggested that the Exchange publish clear guidance explicitly setting out which Specialist Chapter requirements are retained, modified, or disapplied for Eligible Specialist Companies, to help issuers, sponsors, and investors navigate the modified regime.

Our response and conclusion

Applicability of the Specialist Chapters to Eligible Specialist Companies

260. In view of the near-unanimous support, we will adopt the proposal to allow Eligible Specialist Companies to seek a listing under the applicable Specialist Chapters (as set out in paragraph 245 above).

261. An Eligible Specialist Company seeking to list with a WVR structure would continue to be subject to the full suite of safeguards under Chapter 8A of the Listing Rules, including the suitability assessment of that chapter. Therefore, the change would not result in an expedited pathway for WVR listings (see paragraph 254).

Modification of Specialist Chapter requirements

262. In view of the near-unanimous support, we will adopt the proposed modifications to the additional requirements under the Specialist Chapters to be imposed on Eligible Specialist Companies (as set out in paragraph 246 and Table 4 above).

263. The third-party investment requirement of the Specialist Chapters serves as a proxy for commercial viability for pre-revenue or early-stage companies and supports their market valuation. The ability of an Eligible Specialist Company to satisfy the Rule 8.05 Eligibility Tests is itself a strong indicator of commercial viability and is often also a strong contributor to market valuation. Therefore, we believe the third-party investment requirement would be redundant for Eligible Specialist Companies, even if re-calibrated at a lower level.

264. As some respondents suggested (see paragraph 258), the Exchange has updated its guidance materials to reflect the modifications as appropriate.[114]

[114] Guide for New Listing Applicants (last updated 24 July 2026): (i) Chapter 2.3, paragraphs 20, 21 and 22; and (ii) Chapter 2.5, paragraphs 69 and 70.

IV. Confidential Filing and Enhanced Return Mechanism

A. Confidential Filing

Proposals

Confidential filings permitted for all applicants

265. We proposed to remove the Publication Requirements for all listing applicants, such that a new applicant may choose not to publish its Application Proof at the time it submits its listing application and would only be required to publish an OC Announcement on the same date as it publishes its PHIP.[115]

Consequential amendments made for Issuer-related Listing Applications

266. We proposed to make certain consequential changes to the obligations imposed on Issuer-related Listing Applications in respect of spin-offs and GEM transfers to reflect the potential change in timing of the disclosure of listing applications.[116]

Responses received

267. 88% of respondents supported the removal of the Publication Requirements for all listing applicants, such that a listing applicant would only be required to publish an OC Announcement on the same date as it publishes its PHIP (as set out in paragraph 264 above), and 12% opposed it.[117]

268. Of those who supported the removal of the Publication Requirements for all listing applicants, 100% agreed with the consequential changes to issuers' disclosure obligations in relation to Issuer-related Listing Applications (as set out in paragraph 265 above).[118]

Comments

Confidential filings permitted for all applicants

269. Most respondents welcomed the proposal as a significant step towards aligning Hong Kong with international best practice. Many respondents observed that peer markets (including the US, the UK, and Singapore) do not require the publication of listing applications or draft listing documents upon submission, and that extending confidential filing to all applicants would remove a competitive disadvantage unique to Hong Kong and so enhance its attractiveness as a listing venue.

[115] See paragraph 260 of the Consultation Paper.

[116] See paragraphs 267 to 269 of the Consultation Paper.

[117] Question 19 of the Consultation Paper.

[118] Question 22 of the Consultation Paper.

270. Many respondents further noted that confidential filing would provide meaningful protection for commercially sensitive information such as operational strategies, proprietary technologies and listing plans from premature disclosure, which could attract unnecessary external attention or prompt imitation by competitors. This was considered particularly important for innovation and technology-based issuers and for listed parent companies pursuing spin-offs.

271. Several respondents commented that making the option generally available to all applicants is fairer and more consistent than limiting it to particular categories of applicant, and is in line with other markets.[119]

Defined-category approach

272. Several opposing respondents suggested the Exchange adopt an alternative defined-category approach under which confidential filing would be permitted only for applicants meeting pre-determined criteria. Suggested criteria included: dual listings; applicants above a certain market capitalisation threshold; applicants in sensitive industries; and cases where public filing would create undue legal or regulatory burden.

Adequate public exposure

273. Some respondents disagreed with the proposal on the basis that the current Publication Requirements contribute to market transparency, enable earlier analyst coverage, and provide an external layer of scrutiny that incentivises high-quality initial submissions. They argued that removing the Publication Requirements would compress the period available for investors and analysts to conduct due diligence, and that the PHIP alone does not provide the same early window for scrutiny.

274. Two supporting respondents encouraged the Exchange to provide guidance recommending that applicants (particularly those in complex or specialist sectors) allow for an adequate public exposure period between PHIP publication and the final prospectus, to ensure the integrity of the price discovery process and investors' ability to perform due diligence.

275. Another respondent suggested that all confidentially submitted Application Proofs should be made public at the time the PHIP is published to promote transparency and accountability.

Practical difficulty in complying with Existing Guidance Provision for confidential filings

276. Several respondents noted that maintaining confidentiality before publication of the PHIP, as required under existing guidance for confidential filing[120] (the **Existing Guidance Provision**), may be particularly difficult for Issuer-related Listing Applications

[119] See paragraph 259 of the Consultation Paper.

[120] Guide for New Listing Applicants (last updated 29 May 2026), Chapter 6.4, paragraph 7. See also paragraph 249 of the Consultation Paper.

(e.g. spin-offs) and A-to-H listings, where disclosures may be required under regulations applicable to the parent company or the A-share market (as the case may be).

277. While the Exchange has indicated in the Consultation Paper that it would not normally require the publication of an Application Proof where a loss of confidentiality was due to a disclosure made under applicable laws or regulatory requirements (including the Listing Rules or rules of a relevant overseas exchange),[121] one respondent invited the Exchange to codify this position to provide greater certainty to applicants.

Pre-marketing investor engagement

278. A number of respondents (including both supporting and opposing respondents) noted that the implementation of confidential filing may present certain practical difficulties and require changes to established investor outreach practices.

279. Drawing on recent experience with confidential filings in Hong Kong for Chapter 18A or 18C companies, these respondents noted more complex processes for investor outreach and a significant workload associated with the negotiation of investor non-disclosure agreements. They recommended that:

(a) Guidance should be provided on the parameters within which pre-marketing investor engagement activities can be conducted during the confidential filing period, including the scope of information that may be disclosed to prospective investors, the intended recipients, and the applicable controls and record-keeping requirements.

(b) The Exchange should further clarify the process by which applicants may voluntarily publish their Application Proofs at any time after the initial confidential submission.

Consequential amendments made for Issuer-related Listing Applications

280. Most respondents agreed that the consequential changes to issuers' disclosure obligations were appropriate and necessary to ensure consistency within the Listing Rules framework following the introduction of confidential filing.

281. Several respondents noted that deferring disclosure for spin-offs and GEM Transfers to the PHIP stage was a logical extension of the confidential filing regime, and that listed issuers would remain subject to ongoing disclosure obligations under the SFO (including the Inside Information Provisions under Part XIVA), which would continue to require timely disclosure of material developments.

282. Two respondents asked the Exchange to provide more detailed guidance on the interaction between the revised disclosure timing and other existing obligations, including inside information obligations under the Inside Information Provisions, and listing document and continuing disclosure requirements under the Listing Rules.

[121] See paragraph 270 of the Consultation Paper.

Our response and conclusion

Confidential filings permitted for all applicants

283. In view of the strong support from respondents, we will adopt the proposal to remove the Publication Requirements for all listing applicants. This means that a listing applicant will no longer be required to publish its Application Proof. A listing applicant that has chosen not to publish its Application Proof at the time it submits its listing application and has not elected to publish an Updated Application Proof (see paragraph 295) would only be required to publish an OC Announcement on the same date as it publishes its PHIP.

<u>Defined-category approach</u>

284. A defined-category approach is the approach that the Exchange currently takes with regard to confidential filing, as such filings are only available to certain categories of listing applicant. All issuers have commercially sensitive information, proprietary processes or trade secrets that they may legitimately wish to protect from premature disclosure at the application stage. Extending the confidential filing option to all applicants (including those that have previously filed publicly) ensures a level playing field for companies of all sizes and businesses (see paragraph 270).

<u>Adequate public exposure</u>

285. Investor transparency would continue to be preserved through PHIPs, which would remain required to be published by all applicants regardless of whether their Application Proofs are published. As stated in the Consultation Paper, the PHIP is substantially closer in form and content to the final listing document than the Application Proof and, accordingly, provides a more certain and reliable basis for research analysts to produce research reports and for investors to conduct a preliminary assessment before the publication of the final prospectus.[122]

286. The Listing Rules will continue to require PHIPs to be published no later than the first occurrence of[123]:

   (a) The time at which the new applicant first distributes any red herring document to institutional or other professional investors;

   (b) The time at which the bookbuilding process commences irrespective of whether the process involves a meeting (whether held physically or by video conference or any other medium) between the new applicant and institutional or other professional investors, or whether any red herring document has been distributed; and

[122] See paragraph 283(b) of the Consultation Paper.

[123] MB Practice Note 22, paragraph 12 (GEM Practice Note 5, paragraph 11).

(c) If a new applicant has also scheduled a listing of its securities on an overseas exchange at or around the same time as its prospective listing in Hong Kong, simultaneously with any overseas publication of similar information.

287. Such a prescribed timing requirement helps enable members of the public to receive at or around the same time substantially the same information that the applicants ordinarily make available to institutional investors for bookbuilding purposes by way of a red herring prospectus or other materials of a similar nature.

288. The above safeguards, together with the offer period between the issue of the prospectus and the close of the offer, should provide investors with sufficient time to make an informed investment decision. We consider that applicants should continue to be afforded the flexibility to determine when to publish the final prospectus after the publication of the PHIP based on their specific circumstances, provided that the relevant requirements are complied with. Accordingly, we do not consider it necessary to prescribe a minimum period between the publication of the PHIP and the commencement of the offer period.

289. An Application Proof is often subject to subsequent revisions and may not provide a reliable basis for understanding an applicant's position and future prospects. If the Application Proof and the PHIP are published simultaneously, as suggested by a respondent (see paragraph 274), this may cause confusion as to which is the more reliable document.

Practical difficulty in complying with Existing Guidance Provision for confidential filings and pre-marketing investor engagement

290. The Existing Guidance Provision[124] was introduced when confidential filing was made available to Biotech Companies and Specialist Technology Companies in May 2025 to expressly set out the Exchange's practice towards confidential filings.[125] Upon implementation of our proposal, filing a listing application without the publication of an Application Proof is expected to become standard practice, as shown by market support for the proposal (see paragraphs 268 to 270). Therefore, the Exchange has reviewed whether the Existing Guidance Provision for confidential filings is necessary. In this regard, it is noted that:

(a) Applicants will have opted for confidential filing for commercial reasons, including the preservation of the confidentiality of sensitive data, managing IPO execution risks and controlling the timing of communications with stakeholders. Premature disclosure will undermine these objectives, and so it will be in the applicants' own interests to preserve confidentiality. Imposing prescriptive confidentiality

[124] Guide for New Listing Applicants (last updated 29 May 2026), Chapter 6.4, paragraph 7. It provides that an applicant making a confidential filing must maintain confidentiality of its listing application until the publication of PHIP. Should there be any loss of confidentiality, the Exchange would take into account the relevant circumstances and may exercise the discretion to request the applicant to re-comply with the Publication Requirements for an Application Proof and/or an OC Announcement.

[125] Amendments to the Guide for New Listing Applicants, Update No. 3 (May 2025).

obligations under the Existing Guidance Provision, in addition to these voluntary measures, may not bring significant incremental regulatory benefits.

(b) The Existing Guidance Provision may create practical difficulties for applicants that may need to make disclosure in specific circumstances, including in the case of Issuer-related Listing Applications and A-to-H listings (see paragraph 275) or in situations where an applicant is subject to regulatory procedures in its jurisdiction that involve public disclosure of the listing application or related information. In these situations, the Existing Guidance Provision may give rise to uncertainties for applicants as to whether they would be required to comply with the Publication Requirements (see paragraph 276).

291. As stated in the Consultation Paper, existing Rule and legislative requirements governing publicity, advertising and communications in connection with a listing application will continue to apply.[126] These include the Listing Rule requirements regarding publicity materials,[127] and other related requirements, including those under the C(WUMP)O and the SFO.[128] In particular, regardless of whether the listing application is filed confidentially, under the Listing Rules, no publicity material on an issue of securities by a new applicant can be released in Hong Kong by a new applicant or its agents unless, and until, the Exchange has reviewed it and confirmed to the applicant that it has no comments. In addition, the publicity material must comply with all statutory requirements. The Exchange will take strict measures against unauthorised publicity materials, including suspending vetting until all unauthorised publicity materials have been withdrawn and delaying the listing timetable so the influence of unauthorised promotion can "cool-off".[129]

292. We also note that the market has established procedures to ensure compliance with those requirements and to maintain appropriate information controls during the listing process. Some industry participants have developed practical guidelines for investor communications in this regard. To the extent such procedures and guidelines can facilitate information controls in confidentially filed listing applications, market participants may wish to continue referring to them.

293. In view of the above, and to provide greater certainty to the market, we have removed the Existing Guidance Provision from the Exchange's guidance.[130] This means that the Exchange would no longer retain the express discretion to require re-compliance with the Publication Requirements if there is a loss of confidentiality.[131] The Exchange views

[126] See paragraph 250 of the Consultation Paper.

[127] MB Rule 9.08 (GEM Rule 12.10); and Guide for New Listing Applicants (last updated 24 July 2026), Chapter 4.14, paragraphs 23 to 29 and the "Relevant Regulatory Requirements" section.

[128] Guide for New Listing Applicants (last updated 24 July 2026), Chapter 4.14, the "Relevant Regulatory Requirements" section.

[129] Guide for New Listing Applicants (last updated 24 July 2026), Chapter 4.14, paragraph 29.

[130] Guide for New Listing Applicants (last updated 29 May 2026), Chapter 6.4, paragraph 7.

[131] Such discretion is set out in the Existing Guidance Provision and reflected in: (a) paragraph 262 of the Consultation Paper and (b) the proposed Note to MB Rule 12.01A and Note to MB Rule 20.25 as set out in Appendix I of the Consultation Paper; and proposed Note to GEM Rule 16.01A as set out in Appendix II of the Consultation Paper, all of which will not be adopted in the final rule amendments.

this approach as consistent with the broader public interest while ensuring its regulatory measures remain clear and fit for purpose.

294. We have also updated the references in our guidance to refer to this method of filing as a "non-public filing" (rather than a "confidential filing") to better reflect this approach.[132]

Publication of Updated Application Proof before completion of vetting

295. Some applicants that have opted for non-public filing at the time of their listing application may wish to subsequently publish their draft listing document, voluntarily, to facilitate more broad-based investor outreach prior to PHIP publication (see paragraph 278(b)). We also note that similar flexibility is available in the US, where an issuer may transition to public filing during the Securities and Exchange Commission's non-public review process.

296. We have clarified in the Rules that an applicant that has opted for non-public filing at the time of its listing application may subsequently elect to publish its draft listing document before the publication of the PHIP, subject to the following conditions:

(a) The version of the draft listing document so published must be the latest version submitted to the Exchange after taking into account all comments raised by the Exchange and the SFC up to that point in time, if any (**Updated Application Proof**);

(b) The requirements that apply to Application Proofs published on the Exchange's website (including content requirements such as redaction and inclusion of appropriate disclaimers and warning statements, and requirement to submit a legal confirmation[133]), would also apply to such Updated Application Proof; and

(c) The Updated Application Proof must contain additional disclaimer and warning statements to advise readers that the Updated Application Proof is an interim draft only and remains subject to review by the Exchange and the SFC. It must be disclosed that the publication of the Updated Application Proof is solely the result of election by the applicant, at its discretion, and is not an indication of the progress of vetting, nor an indication that the whole, or any part of, the Updated Application Proof and the related listing application has been approved by the Exchange or the SFC.

297. The above conditions aim to: (a) ensure that readers of the Updated Application Proof are aware that the information it contains cannot be relied upon as being Rule compliant, as the document is still subject to the completion of vetting by the Exchange; and (b) avoid the potential of a market misconception that the publication of such Updated Application Proof implies that the related listing application will be, has been, or is close to being cleared.

[132] Guide for New Listing Applicants (last updated 24 July 2026), Definitions and Glossary, "Non-public Filing".

[133] MB Practice Note 22, paragraphs 4 to 8 (GEM Practice Note 5, paragraphs 3 to 7).

298. The Exchange has also published updated guidance on the expansion of the non-public filing option to all applicants, including requirements on the posting of Application Proof, PHIP, OC Announcement, statements and other housekeeping amendments.[134]

Consequential amendments made for Issuer-related Listing Applications

299. In view of the majority support from respondents, we will adopt the proposed consequential amendments in relation to Issuer-related Listing Applications (see paragraph 265 above). The Exchange has also published updated guidance to clarify the requirements applicable to a non-public listing application made in connection with a reverse takeover (including a De-SPAC Transaction) pending the finalisation of transaction terms.[135]

300. As set out in the Consultation Paper, the existing disclosure obligations under the SFO and the Listing Rules will continue to apply in full and are unaffected by the filing regime.[136] For example, where there are unusual trading enquiries during the filing period, the Exchange will follow the current regulatory approach to require an earlier announcement if there is a leakage of information or a significant, unexplained movement in the price or turnover volume of the listed issuer's securities. This aims to uphold market integrity by ensuring a false market does not exist in the issuer's securities.

B. Enhanced Return Mechanism

Proposals

Enhanced Return Mechanism

<u>*Public exposure of professional parties' identities for Returned Applications*</u>

301. Where the Exchange determines that an AP is not substantially complete and the application is returned, we proposed that, in addition to the Returned Application Details, the names and roles of other professional parties responsible for the Application Materials also be displayed on a designated webpage of the Exchange.[137]

<u>*List of professional parties*</u>

302. The proposed list of professional parties for the purpose of public exposure is set out in Box 1 below.[138]

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[134] Guide for New Listing Applicants (last updated 24 July 2026): (i) Definitions and Glossary; (ii) Chapter 3.1, paragraph 7; (iii) Chapter 4.12, paragraphs 11, 12 and 13; (iv) Chapter 5.2, paragraph 11; (v) Chapter 6.3, paragraph 12; (vi) Chapter 6.4; (vii) Annex B.2, FAQ 2; and (viii) Annex B.10, FAQ 28.

[135] Guide for New Listing Applicants (last updated 24 July 2026), Annex B.11, FAQ 3.

[136] See paragraph 268 of the Consultation Paper.

[137] See paragraph 264 of the Consultation Paper.

[138] See Box 1 of the Consultation Paper.

Box 1: Proposed list of professional parties

The names and roles of the following parties involved in an offering would be displayed on a designated webpage of the Exchange upon the return of the listing application: (a) Sponsor(s) (b) Legal adviser(s) to the company (including those as to Hong Kong laws and laws of other jurisdictions, if applicable) (c) Legal adviser(s) to the sponsor(s) (including those as to Hong Kong laws and laws of other jurisdictions, if applicable) (d) Reporting accountant(s) and independent auditor(s) (e) Industry consultant (f) Any other experts[139] who have consented to the inclusion in the AP of any copy or extract of their report, opinion, statement, or valuation that is contained in, or referred to in, the AP (g) Promoter(s) (in the case of a SPAC, or a Successor Company in the context of a De-SPAC Transaction)

Calculation of period for the eight-week moratorium

303. We proposed to amend the starting point of the eight-week moratorium from the date of the Listing Division's decision to either: (a) the date on which all applicable review procedures in respect of that decision have been completed; or (b) the date on which the time period for invoking any such review procedures has lapsed.[140]

Responses received

304. Of those who supported the removal of the Publication Requirements for all listing applicants:

(a) 76% agreed with the proposal that the identities of other professional parties responsible for the Application Materials be displayed on the designated webpage of the Exchange (as set out in paragraph 300 above) and 24% opposed it;[141] and

[139] Experts include every accountant, engineer, or appraiser, or any person whose profession gives authority to a statement made by him (see MB Rules 1.01 and 3A.01 / GEM Rules 1.01 and 6A.01). The names of the experts are normally disclosed in the section headed "Statutory and general information" to the AP. These often include, if applicable, any independent financial adviser, valuer, internal control adviser, and in the case of a Mineral Company, any independent technical consultant and Competent Person (as defined in MB Rule 18.01 / GEM Rule 18A.01).

[140] See paragraph 266 of the Consultation Paper.

[141] Question 20(a) of the Consultation Paper.

(b) 75% agreed with the proposed list of professional parties for the above purpose (as set out in Box 1 above) and 25% opposed it.[142]

305. 97% of respondents supported the proposal to amend the starting point of the eight-week moratorium (as set out in paragraph 302 above) and 3% opposed it.[143]

Comments

Public exposure of professional parties' identities for Returned Applications

306. Many respondents agreed that extending public exposure to other professional parties responsible for the Application Materials would enhance accountability and transparency.

307. Several respondents noted that the preparation of an AP is a collective effort involving multiple advisers, and that the current system of naming only the applicant and the sponsor creates a "free rider problem", where other advisers lack sufficient reputational accountability. Some also considered the proposed measure a necessary counterbalance to the introduction of confidential filing, ensuring that the removal of the Publication Requirements does not inadvertently reduce regulatory deterrence.

308. Views on the proposal from law firms and accounting firms were mixed. While some agreed with the proposal for the reasons set out above, others disagreed on the grounds that it would be disproportionate to publicly name other professional parties regardless of whether they were responsible for the return. These respondents noted that:

(a) Each professional party has a defined role and scope of engagement, and a return decision may result from deficiencies entirely beyond the control of a particular adviser.

(b) Publicly identifying all parties was potentially misleading to the market and could result in unfair reputational harm, particularly where the reason for the return is not disclosed alongside the identities.

(c) As highlighted in the announcement[144] and circular[145] recently published by the SFC, the primary responsibility for ensuring the AP is substantially complete rests with the applicant and the sponsor. The proposal to extend public naming to other professional parties risks diluting the sponsor's central gatekeeper role.

309. A few law firms added that the proposal could deter competent and experienced firms from accepting mandates for complex, novel or higher-risk applications, thereby

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[142] Question 20(b) of the Consultation Paper.

[143] Question 21 of the Consultation Paper.

[144] SFC, SFC directs IPO sponsors to promptly conduct internal reviews to rectify serious deficiencies in the preparation of new listing documents, 30 January 2026.

[145] SFC, Circular to licensed corporations carrying out sponsor work, 30 January 2026.

reducing applicant choice and undermining the Exchange's broader competitiveness objectives.

Suggestion to limit exposure to directly responsible parties

310. Several respondents suggested that the Exchange limit public exposure to those professional parties whose scope of work directly relates to the reasons for the return, rather than naming all parties listed in Box 1 on an indiscriminate basis.

Suggestion to disclose reasons for return

311. Some respondents suggested that the Exchange disclose the principal reasons for the return alongside the identities of the professional parties. These respondents thought that this would help the market understand the basis of the return decision and avoid an unfair impression that all named parties were responsible for deficiencies unrelated to their work.

Language and terminology suggestions

312. Two respondents requested that the broader group of professional parties should not be characterised as "responsible" for the Application Materials, as this could be misleading in the broader regulatory context. In this regard:

(a) One of these respondents suggested that such parties should instead be identified as professional parties "involved" in the listing application.

(b) The other respondent suggested that the Exchange clarify that the naming of professional parties is solely for transparency purposes and does not imply that such parties directly contributed to the return decision.

Non-public regulatory measures as an alternative

313. A few respondents suggested that the Exchange should consider more targeted and proportionate mechanisms, rather than public disclosure, to address substandard applications. Examples include:

(a) Enhanced vetting of sponsor qualifications and more targeted enforcement action, as the Exchange and the SFC already possess robust supervisory, investigation and disciplinary powers;

(b) Enhanced guidance and advisory services, such as guidance on common return triggers, structured pre-submission communication, and anonymised thematic feedback; and

(c) Extending the eight-week moratorium, to further strengthen the deterrent effect of the Return Mechanism.

List of professional parties

314. Many respondents considered the proposed list to be appropriate and comprehensive, capturing the principal professional parties involved in the preparation of Application Materials. Several respondents noted that the list was consistent with the principle that accountability should attach to all parties exercising substantive due diligence or reporting functions, and that it reflected the collective nature of the listing application process.

315. Several respondents expressed concerns about the inclusion of professional parties such as legal advisers (both to the company and to the sponsor), reporting accountants, independent auditors and independent consultants for the reasons stated above (see paragraph 307). In addition:

    (a) Two respondents noted that certain experts (particularly those with limited or highly technical roles) may not have played as significant a role in the Application Materials as the main advisers, and questioned whether their inclusion was proportionate.

    (b) One law firm noted that offshore (e.g. Cayman Islands) counsel's workstream in a Hong Kong IPO is typically confined to offshore law corporate matters (e.g. Cayman-law-specific disclosures and the provision of Cayman law legal opinions), and that offshore counsel do not control and cannot meaningfully assess the completeness or quality of the prospectus as a whole.

Calculation of period for the eight-week moratorium

316. Most respondents agreed that amending the starting point of the eight-week moratorium was a logical and fair adjustment. They believed that the proposal would:

    (a) Ensure that the moratorium period takes into account the additional time required for the completion of review procedures;

    (b) Preserve the deterrent effect of the Return Mechanism by preventing the moratorium from being effectively shortened or exhausted during the review process; and

    (c) Enhance procedural fairness by ensuring that applicants are not penalised for exercising their legitimate right to seek a review.

317. Opposing respondents argued that deferring the start of the moratorium effectively penalises applicants for exercising their legitimate due process rights. This would potentially discourage applicants from seeking review even where they have valid grounds.

318. Three respondents who supported the proposal expressed a preference for retaining limb (b) only (i.e. the date on which the time period for invoking review procedures has lapsed), as it provides greater certainty and predictability. These respondents noted that limb (b) is anchored to a fixed deadline that can be calculated in advance, producing the same starting point for all applicants regardless of whether review procedures are

invoked, while limb (a) (i.e. the date on which all applicable review procedures in respect of that decision have been completed) introduces an element of uncertainty as the duration of review procedures may not be readily determinable in advance.

Our response and conclusion

Public exposure of professional parties' identities for Returned Applications

319. In view of the majority support from respondents, we will adopt the proposal that the identities of other professional parties involved in a Returned Application be displayed on the designated webpage of the Exchange (see paragraph 300 above), with the modifications described below.

Suggestion to limit exposure to directly responsible parties

320. We wish to clarify that the purpose of displaying the identities of professional parties upon a return decision (see paragraph 307) is to provide transparency regarding the parties involved in the preparation of the Application Materials. It is not intended to impute fault to, or impose a sanction upon, any professional party. The display of identities does not, of itself, indicate that any particular party was responsible for the deficiencies leading to the return decision.

321. The preparation of the Application Materials is a collaborative effort of applicants, sponsors, legal advisers and other professional parties involved. The Exchange is not in a position to determine each professional party's particular contribution to the deficiencies in the Application Materials and whether a party has "directly" contributed to the return.

322. The enhanced Return Mechanism does not alter the allocation of regulatory responsibilities among the parties, and the primary responsibilities of issuers and sponsors with respect to listing document disclosure remain unchanged. The purpose of the proposal was to provide stronger incentives for applicants, sponsors, legal advisers and other professional parties involved in the preparation of the Application Materials to collaborate towards ensuring the Application Materials meet the expected standard.

Suggestion to disclose reasons for return

323. We believe that disclosure of the reasons for return will give a reader insight into the involvement of the relevant parties to help address respondents' concern (see paragraph 310 above). Accordingly, we will include a description of the reasons for each Returned Application on the Exchange's designated webpage. The Exchange will continue to publish listing decisions in relation to Returned Applications.[146]

[146] Guide for New Listing Applicants (last updated 24 July 2026), Annex A.21. Decisions issued by the Listing Review Committee in relation to Returned Applications are also available on the HKEX website (link).

Language and terminology suggestions

324. The Exchange agrees with respondents' suggestion to identify the additional professional parties displayed on the Exchange's designated webpage upon a return decision as professional parties "involved" in the listing application. This revised description and our clarifications above (see paragraphs 319 to 321) should avoid any unintended implication that the named parties bear direct responsibility for the deficiencies leading to the return equally.

Non-public regulatory measures as an alternative

325. The Exchange and the SFC will continue to use existing supervisory, investigation and disciplinary powers where appropriate to address deficiencies observed in new listing applications. Also, members of regulated professions, such as solicitors and accountants, will continue to be subject to the regulation and enforcement of their respective statutory regulators. We wish to clarify that the proposed display of professional parties' identities upon a return decision aims to increase transparency and is not intended as a substitute for existing enforcement channels.

List of professional parties

326. In view of the majority support from respondents, we will adopt the proposed list of professional parties for the above purpose (as set out in Box 1 above).[147]

327. The Exchange notes that the proposed list is intended to capture the principal professional parties whose work is reflected in the Application Materials. As noted above, the display is a transparency measure and does not imply that any particular party was responsible for the deficiencies leading to the return decision.

Calculation of period for the eight-week moratorium

328. In view of the almost unanimous support from respondents, we will adopt the proposal to amend the starting point for the calculation of the eight-week moratorium (as set out in paragraph 302 above) with the clarifications set out below (see paragraph 329).

329. The Exchange would like to clarify that both limbs under the proposed amendments are necessary, as they aim to clarify the starting point of the eight-week moratorium under two scenarios. Where an applicant invokes review procedures, the return decision should be taken as final only upon completion of those procedures. This means that those who do not pursue a review will have the moratorium commence from the date on which the time period for invoking review procedures has lapsed, while those who do pursue a review will have the moratorium commence from the date on which those procedures are completed (if the review procedures result in the return decision being upheld). In both cases, the applicant is subject to a full eight-week moratorium following the point at which the return decision becomes final.

[147] Guide for New Listing Applicants (last updated 24 July 2026), Chapter 6.2, paragraphs 3 and 4.

330. We will clarify the drafting of the starting point of the eight-week moratorium as: (a) the date on which the time period for invoking any applicable review procedures has lapsed; or (b) where the applicant invokes such procedures, the date on which all applicable review procedures have been completed.

331. We wish to emphasise that return decisions are subject to accelerated review procedures [148] and so such reviews should be completed over a relatively short timescale.

Implementation of the New Requirements

332. The new requirements relating to the enhanced Return Mechanism will apply to return decisions in respect of listing applications submitted after the Rule amendments become effective (see paragraph 7).

[148] Guide for New Listing Applicants (last updated 24 July 2026), Chapter 6.2, paragraph 21 and Appendix I.

CHAPTER 5: OTHER COMMENTS AND SUGGESTIONS

333. The Exchange notes that some respondents offered comments and suggestions on topics that extend beyond the specific proposals set out in the Consultation Paper. The key themes are summarised below.

Comments

Continuing obligations and post-listing framework

334. Several respondents commented on the need to review and modernise the continuing obligations applicable to listed issuers. Suggestions included streamlining ongoing compliance requirements, developing a capital efficiency framework, enhancing guidance on ongoing financial disclosure, permitting disclosure of inside information during trading hours, and optimising the post-listing ecosystem to support stock turnover and valuation stability for listed issuers generally.

Broadening access for mid-cap and growth-stage companies

335. Two respondents suggested that the Exchange consider broadening the listing framework to better accommodate mid-cap and growth-stage companies that possess strong fundamentals and credible growth trajectories but may not yet meet thresholds designed for more established issuers. Suggestions included calibrated adjustments to revenue requirements, track record expectations, and anchor investor constructs, with a view to expanding the universe of high-quality IPO candidates without compromising market integrity.

Facilitating earlier-stage and sector-specific listings

336. One respondent encouraged the Exchange to build on the momentum of its market diversification efforts by ensuring that the listing process for earlier-stage companies in high-growth sectors, including critical minerals, artificial intelligence, healthcare, and venture-backed innovation businesses, is as streamlined and accessible as possible. Another respondent specifically urged the Exchange to formally recognise low-altitude economy enterprises within the framework for Specialist Technology Companies.

SPAC framework

337. One respondent recommended that the Exchange review the competitiveness and uptake of its current SPAC framework with a view to identifying calibrated adjustments that might enhance its effectiveness as a pathway to listing for high-quality target companies, consistent with the broader objectives of this consultation.

Our response and conclusion

338. We thank all respondents for their valuable feedback on these broader topics. These comments will be carefully considered as part of the Exchange's ongoing efforts to enhance the competitiveness of Hong Kong's listing framework. In particular, we will

review the regulatory framework for GEM as well as our specialist listing regimes (including our SPAC listing framework and the listing route for Specialist Technology Companies) as part of forthcoming reform efforts.

DEFINITIONS

TERM	DEFINITION
"10:1 WVR Ratio Cap"	a WVR Ratio Cap of 10:1
"20:1 WVR Ratio Cap"	a WVR Ratio Cap of 20:1
"Application Materials"	a listing application form, an AP and all other relevant documents submitted to the Exchange for the purpose of a listing application
"Application Proof" or "AP"	as defined in MB Rule 1.01 (GEM Rule 1.01), means, in the case of a new applicant, a draft listing document that is required to be substantially complete and is submitted to the Exchange together with a listing application form for listing its equity securities; and in the case of a new applicant for a CIS with a listing agent appointed which is required to discharge the functions equivalent to those of a sponsor, a draft listing document that is submitted to the SFC together with an application for authorisation of the CIS for the purpose of listing its interests on the Exchange
"Biotech Company"	as defined in MB Rule 18A.01
"CAGR Growth Characteristic"	a proposed Innovative Characteristic applicable to an applicant pursuing Route B as set out in paragraph 98 of this paper
"Chinese Mainland"	for the purpose of this paper, the People's Republic of China, other than the regions of Hong Kong, Macau and Taiwan
"ChiNext Market"	the ChiNext Board of SZSE
"CIS"	collective investment scheme
"Consultation Paper"	the Consultation Paper on Competitiveness Review of Listing Framework (link) published on 13 March 2026
"Criteria A"	as defined in MB Rule 19C.05A, means a track record of good regulatory compliance of at least five full financial years on a Qualifying Exchange (for any overseas issuer without a WVR structure) or on any Recognised Stock Exchange (only for overseas issuers without a WVR structure and without a centre of gravity in Greater China); and a market capitalisation of at least HK$3 billion at the time of listing
"Criteria B"	as defined in MB Rule 19C.05A, means a track record of good regulatory compliance of at least two full financial years on a

TERM	DEFINITION
	Qualifying Exchange; and a market capitalisation of at least HK$6 billion at the time of listing
“C(WUMP)O”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)
“De-SPAC Transaction”	as defined in MB Rule 18B.01
“double dipping”	a subscription for, or purchase of, further securities by, an existing shareholder or a cornerstone investor of a listing applicant in its IPO
“eight-week moratorium”	the eight-week period following the date of the Listing Division’s decision to return a listing application during which the applicant may not submit a new listing application
“Eligible Specialist Company”	a Biotech Company or Specialist Technology Company that satisfies one or more of the Rule 8.05 Eligibility Tests
“GEM”	GEM operated by the Exchange
“GEM Listing Rules” or “GEM Rules”	Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited
“GEM Transfer”	a transfer of listing from GEM to the Main Board
“Grandfathered Greater China Issuer”	as defined in MB Rule 1.01, means a Greater China Issuer that was: (a) primary listed on a Qualifying Exchange on or before 15 December 2017; or (b) primary listed on a Qualifying Exchange after 15 December 2017, but on or before 30 October 2020 and controlled by corporate WVR beneficiaries as at 30 October 2020
“Greater China Issuer”	as defined in MB Rule 1.01, means a Qualifying Issuer with its centre of gravity in Greater China
“HKEX”	Hong Kong Exchanges and Clearing Limited
“HKICPA”	the Hong Kong Institute of Certified Public Accountants
“HK-listed Parent”	a parent company listed on the Exchange
“Hong Kong Financial Reporting Standards” or “HKFRS”	financial reporting standards and interpretations issued by the HKICPA. They comprise (i) Hong Kong Financial Reporting Standards, (ii) Hong Kong Accounting Standards and (iii) Interpretations

TERM	DEFINITION
"Hong Kong issuer"	as defined in MB Rule 1.01 (GEM Rule 1.01), means an issuer incorporated or otherwise established in Hong Kong
"IAS"	International Accounting Standards
"IASB"	the International Accounting Standards Board
"Industry Position Characteristic"	a proposed Innovative Characteristic applicable to an applicant pursuing Route B as set out in paragraph 98 of this paper
"INED"	independent non-executive director
"Innovative Characteristics"	the characteristics an innovative company would normally be expected to possess in order to be considered suitable for listing with a WVR structure
"Innovative Company Requirements"	those requirements that an applicant must meet to demonstrate that it is an innovative company and is suitable for listing with a WVR structure, which have been amended as set out in paragraphs 69 and paragraph 85 of this paper *Note:* See paragraph 121 of the Consultation Paper for the previous requirements.
"Inside Information Provisions"	Part XIVA of the SFO
"International Financial Reporting Standards" or "IFRS"	financial reporting standards and interpretations approved by the IASB, and includes all IAS and interpretations issued under the former International Accounting Standards Committee from time to time
"IP Characteristic"	an Innovative Characteristic applicable to an applicant pursuing Route A as set out in paragraph 97 of this paper
"IPO"	initial public offering
"Issuer-related Listing Application"	a listing application by an applicant that gives rise to disclosure obligations for an existing listed issuer under certain circumstances, including a spin-off by a HK-listed Parent, an application for a GEM Transfer, and a listing application that involves a notifiable transaction of a listed issuer
"LSE"	London Stock Exchange plc
"Main Board Listing Rules" or "MB Rules"	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

TERM	DEFINITION
“Main Board”	the main board of the Exchange
“Nasdaq”	The Nasdaq Stock Market LLC
“Non-Grandfathered Greater China Issuer”	as defined in MB Rule 1.01, means a Greater China Issuer that is not a Grandfathered Greater China Issuer
“Non-Greater China Issuer”	as defined in MB Rule 1.01, means a Qualifying Issuer that is not a Greater China Issuer
“non-WVR issuer”	an issuer without a WVR structure
“non-WVR shareholder”	a shareholder of a class of listed shares of an issuer with a WVR structure who is not also a WVR beneficiary
“Novelty Characteristic”	an Innovative Characteristic as set out in paragraph 96 of this paper
“NYSE”	The New York Stock Exchange LLC
“OC Announcement”	as defined in MB Rule 1.01 (GEM Rule 1.01), means an announcement setting out the name(s) of the overall coordinator(s) appointed by a new applicant effecting a placing involving bookbuilding activities in connection with a new listing, including any subsequent related announcement(s), for example, an announcement on the termination of the engagement of an overall coordinator
“Outsized Market Cap Characteristic”	an Innovative Characteristic applicable to an applicant pursuing Route A as set out in paragraph 97 of this paper
“overseas issuer”	as defined in MB Rule 1.01, means an issuer that is neither a Hong Kong issuer nor a PRC issuer
“Ownership Continuity Requirement”	as defined in MB Rule 8.05(1)(c), (2)(c) and 3(c), means ownership continuity and control for at least the most recent audited financial year
“Post Hearing Information Pack” or “PHIP”	as defined in MB Rule 1.01 (GEM Rule 1.01), in the case of a listing of the equity securities of a new applicant, means a near-final draft listing document for the listing of equity securities published on the Exchange’s website; and in the case of a listing of interests in a CIS with a listing agent appointed which is required to discharge the functions equivalent to those of a sponsor, a near-final draft listing document for the listing of interests in the CIS published on the Exchange’s website

TERM	DEFINITION
"PRC issuer"	as defined in MB Rule 19A.04 (GEM Rule 1.01), means an issuer that is duly incorporated in the Chinese Mainland as a joint stock limited company
"Publication Requirements"	the requirements to publish an AP and OC Announcement on the Exchange's website upon submission of a listing application as set out in paragraph 238 of the Consultation Paper
"Qualified Biotech Applicant"	an applicant that meets the criteria as set out in paragraph 71(a) of this paper
"Qualified Specialist Technology Applicant"	an applicant that meets the criteria as set out in paragraph 71(b) of this paper
"Qualifying Exchange"	the NYSE, Nasdaq, or the Main Market of the LSE
"Qualifying Issuer"	as defined in MB Rule 1.01, means an overseas issuer primary listed on a Qualifying Exchange
"Recognised Stock Exchange"	as defined in MB Rule 1.01, means the main market of a stock exchange that is included in a list of Recognised Stock Exchanges published on the Exchange's website as updated from time to time
"Reconciliation Statement"	a reconciliation statement setting out the financial impact of any material difference between financial statements prepared using US GAAP and financial statements prepared using HKFRS or IFRS
"Relevant Period"	in the context of the Ownership Continuity Requirement, means at least the most recent audited financial year up until the time immediately prior to listing
"Return Mechanism"	the mechanism for the return of a listing application to the sponsor if the information contained in the Application Materials is deemed not substantially complete, as set out in paragraph 244 of the Consultation Paper
"Returned Application"	a listing application returned by the Exchange or the SFC (as the case may be) to the sponsor
"Returned Application Details"	in respect of a Returned Application, the identity of the sponsor and the applicant, and the date of the Listing Division's decision to return a listing application
"Route A"	a proposed route that an applicant seeking a listing with a WVR structure can use to meet the Innovative Company

TERM	DEFINITION
	Requirements if that applicant can demonstrate that it adopts technologies that are either novel, in themselves, or essential to the novelty of its core business
“Route B”	a proposed route that an applicant seeking a listing with a WVR structure can use to meet the Innovative Company Requirements if that applicant can demonstrate that its success is attributable to the application, to its core business, of a new business model that may not necessarily be enabled by technology
“Rule 8.05 Eligibility Tests”	the financial eligibility tests under MB Rule 8.05, comprising: (a) the profit test in MB Rule 8.05(1); (b) the market capitalisation/revenue/cash flow test in MB Rule 8.05(2); and (c) the market capitalisation/revenue test in MB Rule 8.05(3)
“R&D Characteristic”	an Innovative Characteristic applicable to an applicant pursuing Route A as set out in paragraph 97 of this paper
“SEHK” or “Exchange”	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of HKEX
“SFC”	Securities and Futures Commission
“SFO”	Securities and Futures Ordinance
“SPAC”	special purpose acquisition company
“Specialist Chapters”	Chapters 18A and 18C of the Main Board Listing Rules
“Specialist Company”	a Biotech Company or a Specialist Technology Company
“Specialist Company Presumptions”	presumptions of innovativeness and of satisfaction of the “external validation” requirement for Specialist Companies as set out in paragraph 124 of the Consultation Paper
“Specialist Technology Company”	as defined in MB Rule 18C.01
“spin-off”	a proposal by an issuer to effect the separate listing on the Exchange or elsewhere of assets or businesses wholly or partly within the issuer’s existing group
“SSE”	Shanghai Stock Exchange
“STAR Market”	the Science and Technology Innovation Board of SSE

TERM	DEFINITION
“Successor Company”	as defined in MB Rule 18B.01, means the listed issuer resulting from the completion of a De-SPAC Transaction
“SZSE”	Shenzhen Stock Exchange
“TECH”	Technology Enterprise Channel
“UK”	the United Kingdom
“Updated Application Proof”	as defined in paragraph 295(a) of this paper, being the updated application proof to be published by an applicant that has opted for non-public filing at the time of their listing application but subsequently elects to publish their draft listing document before the publication of the PHIP
“US GAAP”	Generally Accepted Accounting Principles in the US
“US”	the United States of America
“WVR”	weighted voting right, which has the meaning given to it in MB Rule 8A.02
“WVR Financial Eligibility Test”	the financial eligibility test for listing on the Exchange with a WVR structure under MB Rule 8A.06
“WVR issuer”	an issuer with a WVR structure
“WVR Ratio Cap”	the maximum weighted voting ratio allowed between shares carrying WVR and other ordinary shares
“WVR structure”	as defined in MB Rule 8A.02, means a structure of an issuer that results in WVRs
“WVR Test A”	the WVR Financial Eligibility Test under MB Rule 8A.06(1)
“WVR Test B”	the WVR Financial Eligibility Test under MB Rule 8A.06(2)

APPENDIX I: LIST OF RESPONDENTS

Named Respondents

The following is a list of 46 respondents to the Consultation Paper who have agreed to have their names published:

Institutional respondents
Accounting Firms
Deloitte Touche Tohmatsu
Ernst & Young
KPMG
PricewaterhouseCoopers
Investment Firms / Asset Managers
BlackRock
Law Firms
Ashurst Hong Kong
Cooley HK
Davis Polk & Wardwell
Deacons
DLA Piper Hong Kong
Eric Chow & Co. in association with Commerce & Finance Law Offices
Freshfields
Herbert Smith Freehills Kramer
Jia Yuan Law Offices
Jun He Law Offices
King and Wood
Kirkland & Ellis

Latham & Watkins LLP
LINKLATERS
Maples and Calder (Hong Kong) LLP
O'Melveny & Myers
Skadden, Arps, Slate, Meagher & Flom and affiliates
Slaughter and May
Listed Company
The Bank of East Asia Ltd.
Professional Bodies / Industry Associations
Asia Securities Industry & Financial Markets Association
Asian Corporate Governance Association
Association of Hong Kong Capital Markets Practitioners Limited
CFA Society Hong Kong and CFA Institute
Greater Bay Area Low Altitude Economy Alliance
Hong Kong General Chamber of Commerce
Hong Kong Institute of Certified Public Accountants
Hong Kong Investor Relations Association
Hong Kong Professionals and Senior Executives Association
Hong Kong Securities & Futures Professionals Association
Hong Kong Venture Capital and Private Equity Association
Hong Kong Venture Investment and Business Angel Network
The Australian Chamber of Commerce in Hong Kong
The Hong Kong Chartered Governance Institute
The Hong Kong Institute of Directors
The Law Society of Hong Kong

Other Companies / Organisations
Hong Kong United Business Consulting Limited

Individual respondents
Accountant
Steve ONG, FCA (ICAEW), FCPA (HKICPA)
Lawyer
Hanzhi Wang
Listed Company Staff
陆澄
Retail Investor
Chan Chun Ngai
Other Individual
Duncan Chiu

Anonymous Respondents

The following is a breakdown, by category, of the 27 respondents to the Consultation Paper who have opted to remain anonymous:

Institution Category	Number
Corporate Finance Firms / Banks	3
Investment Firms / Asset Managers	2
Law Firms	3
Listed Companies	3
Professional Bodies / Industry Associations	2

Institution Category	Number
Prospective Listing Applicants	2

Individual Category	Number
Accountant	1
Corporate Finance Staff	4
Lawyer	1
Listed Company Staff	1
Prospective Listing Applicant Staff	1
Retail Investors	2
Staff at Investment Firms / Asset Managers	1
Other Individual	1

APPENDIX II: QUANTITATIVE ANALYSIS OF RESPONSES

This appendix provides a summary of quantitative responses from respondents to questions in the Consultation Paper (except for Question 11 which is an open-ended question). The total number of each question includes only respondents who commented on that question. The sum of percentages for each row may not add up to 100% due to rounding.

NO.	QUESTION	YES	%	NO	%	TOTAL	NO COMMENT
Q1	Do you agree that the WVR Financial Eligibility Test thresholds should be lowered?	61	91%	6	9%	67	**6**
Q2	Do you agree with the proposed WVR Financial Eligibility Test thresholds (as set out in paragraph 91 of the Consultation Paper)?	56	98%	1	2%	57	**4**
Q3	Do you agree with the proposal to accept a 20:1 WVR Ratio Cap if an applicant has a market capitalisation of at least HK$40 billion at the time of listing (see paragraph 103 of the Consultation Paper)?	61	90%	7	10%	68	**5**
Q4	Do you agree with the proposal to clarify that the Exchange may be prepared to accept the listing of an applicant whose WVR beneficiaries collectively hold a lower minimum economic interest at listing only if such lower underlying economic interest, at the time of the applicant's initial listing: (a) represents at least 5% of the applicant's total issued share capital; and (b) has an amount of at least HK$4 billion (see paragraph 105 of the Consultation Paper)?	57	90%	6	10%	63	**10**

NO.	QUESTION	YES	%	NO	%	TOTAL	NO COMMENT
Q5	Do you agree with the proposal to provide a choice of Route A and Route B that applicants can use to meet the Innovative Company Requirements (as set out in paragraph 126 of the Consultation Paper)?	58	89%	7	11%	**65**	**8**
Q6(a)	In respect of Route A, do you agree with the proposed retention of the current Specialist Company Presumptions (as set out in paragraph 127(a) of the Consultation Paper)?	56	100%	0	0%	**56**	**2**
Q6(b)	In respect of Route A, do you agree with the proposed "innovative" presumption for Qualified Biotech Applicants and Qualified Specialist Technology Applicants (as set out in paragraphs 127(b), 132 and 133 of the Consultation Paper)?	55	98%	1	2%	**56**	**2**
Q6(c)	In respect of Route A, do you agree with the proposed refinements to the Innovative Characteristics that are applicable to Route A (as set out in paragraphs 127(c), 129 and 130 of the Consultation Paper)?	55	100%	0	0%	**55**	**3**
Q7(a)	Do you agree with the proposed refinements to the Innovative Characteristics that are applicable to Route B (as set out in paragraphs 129 and 131 of the Consultation Paper)?	54	98%	1	2%	**55**	**3**
Q7(b)	Do you agree with the proposed guidance on the meaning of a "sophisticated investor" for the purpose of the "external validation" requirement (as set out in paragraph 134 of the Consultation Paper)?	53	98%	1	2%	**54**	**4**
Q7(c)	Do you agree with the proposed guidance on what constitutes "meaningful third-party investment" for Route B applicants for the	53	98%	1	2%	**54**	**4**

NO.	QUESTION	YES	%	NO	%	TOTAL	NO COMMENT
	purpose of the “external validation” requirement (as set out in paragraph 135 of the Consultation Paper)?						
Q8	Do you agree with the proposal to lower the financial eligibility thresholds for a secondary listing of an overseas issuer with a WVR structure to align them with those proposed for WVR issuers with a primary listing (see paragraph 173 of the Consultation Paper)?	55	100%	0	0%	**55**	**1**
Q9	Do you agree with the proposal to lower the market capitalisation threshold under Criteria B from HK$10 billion to HK$6 billion (see paragraph 177 of the Consultation Paper)?	53	100%	0	0%	**53**	**2**
Q10	Do you agree with the proposal to retain the market capitalisation threshold under Criteria A (see paragraph 178 of the Consultation Paper)?	57	98%	1	2%	**58**	**15**
Q12	Do you agree with the proposal to codify the existing guidance into a Rule to state that an applicant will be considered to have satisfied the Ownership Continuity Requirement if it can demonstrate, to the Exchange’s satisfaction, that there was no material change in influence on management during the Relevant Period despite the change in controlling shareholder over that period to address any packaging concerns (see paragraphs 205 and 206 of the Consultation Paper)?	62	94%	4	6%	**66**	**7**
Q13	Do you agree with the proposed consequential updates to our guidance (as set out in paragraph 207 of the Consultation Paper)?	57	100%	0	0%	**57**	**5**

NO.	QUESTION	YES	%	NO	%	TOTAL	NO COMMENT
Q14	Do you agree with the proposal to expand the permitted use of US GAAP (as set out in paragraph 213 of the Consultation Paper)?	62	98%	1	2%	**63**	**10**
Q15	Do you agree with the proposal to remove the requirement that a US-listed issuer using US GAAP must revert to preparing financial statements using HKFRS or IFRS if it subsequently delists from the US (see paragraph 214 of the Consultation Paper)?	56	90%	6	10%	**62**	**11**
Q16	Do you agree with the proposal to remove the requirement for a Reconciliation Statement produced for the purpose of unaudited financial results to be reviewed by auditors (see paragraph 215 of the Consultation Paper)?	52	85%	9	15%	**61**	**12**
Q17	Do you agree with the proposal to allow Eligible Specialist Companies to seek a listing under the applicable Specialist Chapters (see paragraph 232 of the Consultation Paper)?	61	95%	3	5%	**64**	**9**
Q18	Do you agree with the proposed modifications to the additional requirements under the Specialist Chapters to be imposed on Eligible Specialist Companies (as set out in paragraph 233 of the Consultation Paper)?	54	95%	3	5%	**57**	**4**
Q19	Do you agree with the proposal to remove the Publication Requirements for all listing applicants, such that a listing applicant (including a listing applicant associated with an Issuer-related Listing Application) may choose not to publish its AP at the time it submits its listing application, in which case it would only be required to publish an	61	88%	8	12%	**69**	**4**

NO.	QUESTION	YES	%	NO	%	TOTAL	NO COMMENT
	OC Announcement on the same date as it publishes its PHIP (as set out in paragraph 260 of the Consultation Paper)?						
Q20(a)	Do you agree with the proposal that, in addition to the existing Return Application Details, the identities of other professional parties responsible for the Application Materials also be displayed on the designated webpage of the Exchange (as set out in paragraphs 264 to 265 of the Consultation Paper)?	45	76%	14	24%	**59**	**2**
Q20(b)	Do you agree with the list of professional parties proposed to be considered as responsible for the Application Materials for the above purpose (as set out in Box 1 under paragraph 265 of the Consultation Paper)?	42	75%	14	25%	**56**	**5**
Q21	Do you agree with the proposal to amend the starting point of the 8-week moratorium to either: (a) the date on which all applicable review procedures in respect of the Listing Division's decision to return the listing application have been completed; or (b) the date on which the time period for invoking any such review procedures has lapsed (as set out in paragraph 266 of the Consultation Paper)?	56	97%	2	3%	**58**	**15**
Q22	Do you agree with the consequential changes to issuers' disclosure obligations in relation to Issuer-related Listing Applications (as set out in paragraph 267 of the Consultation Paper)?	52	100%	0	0%	**52**	**9**

APPENDIX III: METHODOLOGY

Purpose of the Exchange's Methodology

1. In reviewing and drawing conclusions from the consultation responses, the Exchange's goal is to ensure that we come to a balanced view in the best interests of the market as a whole and in the public interest.

2. The effectiveness of this process depends on the submission of original responses from a broad range of respondents that give considered and substantive reasons for their views. The Exchange's methodology, accordingly, aims to accurately categorise respondents and identify different viewpoints. In line with the Exchange's past publicly stated practice, this requires a qualitative assessment of the responses in addition to a quantitative assessment.

Identifying the Category of a Respondent

3. In this paper, each respondent is categorised into an individual or an institution and according to whether their response represented the view of:

   (a) For an institution, one of the following: "Accounting Firm", "Corporate Finance Firm / Bank", "HKEX Participant", "Investment Firm / Asset Manager", "Law Firm", "Listed Company", "Professional Body / Industry Association", "Prospective Listing Applicant" or "Other Company / Organisation"; and

   (b) For an individual, one of the following: "Accountant", "Corporate Finance Staff", "HKEX Participant Staff", "Lawyer", "Listed Company Staff", "Prospective Listing Applicant Staff", "Retail Investor", "Staff at Investment Firm / Asset Manager" or "Other Individual".

4. This categorisation is based on each respondent's indication in their submission. Responses without an indication of the respondent's capacity or with a clearly incorrect capacity were re-categorised by the Exchange using the most appropriate description.

5. The Exchange categorised "Professional Bodies / Industry Associations" as a single group rather than strictly assigning them individually to other categories (e.g. qualified accountants' associations are assigned to the "Professional Bodies / Industry Associations" category instead of the "Accounting Firms" category). This is in line with the Exchange's past practice. Subjective judgement is required to assign professional bodies to other categories, and some do not fit easily with other categories of respondents.

6. It is not the Exchange's practice to categorise "Investment Firms / Asset Managers" by the size of their assets under management for the purposes of analysing consultation responses, as the Exchange believes that the size of an institution's global assets does not mean that we should necessarily attach more weight to their arguments or viewpoints. This would also raise issues as to the treatment of representative bodies

that have considerable variances in number and type of members. Similarly, it is not the Exchange's practice to categorise professional bodies by the size and nature of their membership.

Qualitative Assessment

7. The Exchange performed a qualitative analysis to enable it to properly consider the broad spectrum of respondents and their views. A qualitative analysis enabled the Exchange to give due weight to responses submitted on behalf of multiple persons or institutions,[1] and the underlying rationale for a respondent's position.

8. The Exchange treated all responses equally under the assumption that all respondents are sincere in the viewpoints they have expressed. Where a respondent raised points that were more relevant to other questions in the consultation, the Exchange has endeavoured to keep repetition between sections in this paper to a minimum by summarising those comments in the most relevant section.

Quantitative Assessment

9. The Exchange also performed an analysis to determine the support, in purely numerical terms, for the consultation proposals set out in the Consultation Paper. The result of this quantitative analysis forms **Appendix II** to this paper.

10. With respect to each consultation question that invited a yes / no response, each response is placed into one of the following categories based on indication by the respondents[2]:

    (a) Support;

    (b) Not support; or

    (c) No comment.

Counting responses not respondents

11. For the purpose of its quantitative analysis, the Exchange counted the number of responses received not the number of respondents those submissions represented. This means:

    (a) A submission by a professional body is counted as one response even though that professional body may represent many individual members.

    (b) A submission representing a group of individuals is counted as one response.

[1] As stated below (see paragraph 11), for the purpose of the quantitative analysis, a submission made on behalf of multiple persons is counted as one response.

[2] Answers that did not expressly indicate a yes / no response were placed into the "no comment" category.

(c) A submission by a law firm representing a group of market practitioners (e.g. sponsor firms or banks) is counted as one response.

12. However, when undertaking qualitative analysis of responses, the Exchange has taken into account the number and nature of the persons or firms represented by other respondents.

13. The Exchange's method of counting responses, not respondents they represent, is the Exchange's long-established, publicly stated policy.

Response Handling

Duplicate responses

14. The Exchange did not identify any duplicate responses.

Publication of responses

15. Seven respondents indicated that they did not wish their responses to be published. Except for these responses, all responses received are available to view on the HKEX website (link).

16. 27 respondents requested their responses be published anonymously. We have included these responses in the list of responses published on the HKEX website, identified by category only (e.g. "Individual").

17. We counted these responses for the purpose of both our qualitative and quantitative assessments of responses.

APPENDIX IV: AMENDMENTS TO THE MAIN BOARD LISTING RULES

Note: Rules that have been added or amended compared to those included in the Consultation Paper are highlighted in yellow.

Chapter 1

GENERAL

INTERPRETATION

…

1.01 Throughout these Rules, the following terms, except where the context otherwise requires, have the following meanings:

…

"corporate communication" any document issued or to be issued by an issuer for the information or action of holders of any of its securities or the investing public, including but not limited to:—

(a) the directors' report, its annual accounts together with a copy of the auditors' report and, where applicable, its summary financial report;

(b) the interim report and, where applicable, its summary interim report;

(c) a notice of meeting;

(d) a listing document;

(e) a circular;

(f) a proxy form;

(g) a~~n~~ Public AP~~Application Proof~~; and

(h) a Post Hearing Information Pack or PHIP

…

"Public AP" an Application Proof published or to be published on the Exchange's website

…

"Qualifying Exchange" The New York Stock Exchange LLC, Nasdaq Stock Market or the Main Market of the London Stock Exchange plc ~~(and belonging to the UK Financial Conduct Authority's "Premium Listing" segment)~~

…

"Returned Date" in relation to a decision of the Exchange made pursuant to rule 9.03(3) or the Commission (as the case may be) to return a new applicant's listing application and all related documents, means: (a) the date on which the time period for invoking any review procedures has lapsed; or (b) where the applicant invokes such procedures, the date on which all applicable review procedures in respect of that decision have been completed

…

Chapter 2

GENERAL

INTRODUCTION

…

Use of Electronic Means

…

2.07C …

(6) (a) Every issuer must have its own website on which it must publish any announcement, notice or other document published under rule 2.07C on the Exchange's website. The publication should be at the same time as publication of the electronic copy of the document on the Exchange's website. A new applicant is not required to publish a~~n~~ Public AP~~Application Proof~~, OC Announcement or Post Hearing Information Pack on its own website. In any event:

…

Chapter 3A

GENERAL

SPONSORS, COMPLIANCE ADVISERS, OVERALL COORDINATORS AND OTHER CAPITAL MARKET INTERMEDIARIES

…

Appointment of an overall coordinator

…

3A.37 In the case of a new applicant effecting a placing involving bookbuilding activities (as defined under the Code of Conduct) in connection with a New Listing, subject to the additional requirement on appointment of sponsor-overall coordinators in rule 3A.43 (and, where applicable, rule 3A.44), all overall coordinator(s) must be appointed in accordance with rule 3A.35 no later than 2 weeks following the date of the submission (or re-filing, as the case may be) of the listing application (or where applicable, the application for authorisation of the CIS with the Commission), and an OC Announcement on the appointment (which shall also disclose the name(s) of all overall coordinator(s) appointed as at the date of the announcement) must be published in accordance with rule 2.07C and Practice Note 22.

…

Chapter 8

EQUITY SECURITIES

QUALIFICATIONS FOR LISTING

…

Basic Conditions

…

8.05 The issuer must satisfy either the profit test in rule 8.05(1) or the market capitalisation/revenue/cash flow test in rule 8.05(2) or the market capitalisation/revenue test in rule 8.05(3).

The profit test

(1) To meet the profit test, a new applicant must have an adequate trading record under substantially the same management and ownership. This means that the issuer, or its group (excluding any associated companies and other entities whose results are recorded in the issuer's financial statements using the equity method of accounting), as the case may be, must satisfy each of the following:

…

(c) ownership continuity and control for at least the most recent audited financial year.

The market capitalisation/revenue/cash flow test

(2) To meet the market capitalisation/revenue/cash flow test, a new applicant must satisfy each of the following:

…

(c) ownership continuity and control for at least the most recent audited financial year;

…

The market capitalisation/revenue test

(3) To meet the market capitalisation/revenue test, a new applicant must satisfy each of the following, unless waived by the Exchange under rule 8.05A:

…

(c) ownership continuity and control for at least the most recent audited financial year;

…

(4) For the purpose of rules 8.05(2) and (3), only revenue arising from the principal activities of the new applicant and not items of revenue and gains that arise incidentally will be recognised. Revenue arising from "book" transactions, such as banner barter transactions or writing back of accounting provisions or other similar activities resulting from mere book entries, will be disregarded.

Note: The ownership continuity and control requirement under rule 8.05 is intended to ensure that the applicant's financial performance resulted from the actual dynamics between the controlling shareholder and the management for at least the most recent financial year up until the time immediately prior to listing (the "Relevant Period"). Failure to satisfy the ownership continuity and control requirement may raise concerns on packaging as there may be a material change in influence on management. An applicant will be considered to have satisfied the ownership continuity and control requirement if it can demonstrate, to the Exchange's satisfaction, that there was no material change in influence on management during the Relevant Period despite a change in controlling shareholder over that period.

…

Chapter 8A

EQUITY SECURITIES

WEIGHTED VOTING RIGHTS

…

QUALIFICATIONS FOR LISTING

…

Qualifications for Listing with a WVR Structure

8A.06 A new applicant seeking a listing with a WVR structure must satisfy one of the following:

(1) a market capitalisation of at least HK$~~40,000,000,000~~20,000,000,000 at the time of listing; or

(2) a market capitalisation of at least HK$~~10,000,000,000~~6,000,000,000 at the time of listing and revenue of at least HK$~~1,000,000,000~~600,000,000 for the most recent audited financial year.

…

PERMISSIBLE WVR STRUCTURES

…

Restriction on voting power

8A.10 A class of shares conferring weighted voting rights in a listed issuer must not entitle the beneficiary to:

(1) where the market capitalisation at the time of listing of the issuer is at least HK$40,000,000,000, more than 20 times the voting power of ordinary shares; or

(2) where the market capitalisation at the time of listing of the issuer is less than HK$40,000,000,000, more than ten times the voting power of ordinary shares,

on any resolution tabled at the issuer's general meetings.

…

Minimum Economic Interest at Listing

8A.12 The beneficiaries of weighted voting rights must beneficially own collectively at least 10% of the underlying economic interest in the applicant's total issued share capital at the time of its initial listing (excluding treasury shares).

Note: The Exchange may be prepared to accept a lower minimum underlying economic interest~~shareholding percentage~~~~, on a case by case basis,~~ if the lower underlying economic interest ~~still~~, at the time of the applicant's initial listing:

(a) represents at least 5% of the applicant's total issued share capital (excluding treasury shares); and

(b) has an ~~very large~~ amount of at least HK$4,000,000,000~~in absolute dollar terms (for example if the applicant has an expected market capitalisation of over HK$80 billion at the time of its initial listing) taking into account such other factors about the applicant as the Exchange may in its discretion, consider appropriate~~.

In accordance with rule 2.06, the Exchange reserves the right, in its absolute discretion, to refuse a listing of securities of an applicant, for example, if a lower minimum underlying economic interest and/or a higher weighted voting ratio (see rule 8A.10(1)) represents an extreme case of non-conformance with corporate governance norms.

…

Additional Exceptions to the Rules for Certain Overseas Issuers with a WVR structure

8A.45 Rule~~s~~ ~~8A.04 to~~ 8A.06 does not apply to a Qualifying Issuer with a WVR structure seeking a secondary listing under Chapter 19C.

8A.46 Rules 8A.07 to 8A.36, 8A.43 and 8A.44 do not apply to a Grandfathered Greater China Issuer or a Non-Greater China Issuer with a WVR structure that has or is seeking:–

…

Notes:

(1) In accordance with ~~R~~rule 2.06, the Exchange reserves the right, in its absolute discretion, to refuse a listing of securities of an overseas issuer, for example, if its WVR structure represents an extreme case of non-conformance with corporate governance norms.

…

…

Chapter 9

EQUITY SECURITIES

APPLICATION PROCEDURES AND REQUIREMENTS

Preliminary

…

9.03 …

(3) An applicant must submit a listing application form, an Application Proof and all other relevant documents under rule 9.10A(1), and the information in these documents must be substantially complete except in relation to information that by its nature can only be finalised and incorporated at a later date. If the Exchange decides this information is not substantially complete, the Exchange will not continue to review any documents relating to the application. All documents~~,~~ (including the Form A1 but ~~(~~except for the retention of a copy of these documents for the Exchange's record) submitted to the Exchange will be returned to the sponsor. The initial listing fee will be dealt with in the manner described in note 2 to rule 9.03(1)(b) above. For an application~~s~~ which was~~were~~ previously returned by the Exchange, the applicant can only submit a new Form A1 together with a new Application Proof not less than 8 weeks after the Returned Date~~Return Decision~~.

Note: The Exchange will publish details of applications returned by the Exchange as stated in paragraph 21 of Practice Note 22 upon completion of all review procedures or the expiry of the period for invoking such procedures.

…

…

9.08 No publicity material on an issue of securities by a new applicant can be released in Hong Kong by a new applicant or its agents unless and until the Exchange has reviewed it and confirmed to the applicant that it has no comments. In addition, the publicity material must comply with all statutory requirements. If the Exchange believes that a new applicant or its advisers have permitted information on the listing of the new applicant's securities to leak, the Exchange will normally delay the application for the listing of those securities. For these purposes:

…

(2) the following documents do not fall within the scope of this rule and need not be submitted for prior review:

(a) a~~n~~ Public AP~~Application Proof~~ published on the Exchange's website under rule 12.01A;

…

(c) any statement by a new applicant published on the Exchange's website stating that no reliance should be placed on any media reports about the new applicant subsequent to the publication of its Public AP~~Application Proof~~, OC Announcement or Post Hearing Information Pack, as the case may be; and

…

Chapter 9A

EQUITY SECURITIES

TRANSFER OF LISTING FROM GEM TO MAIN BOARD

…

Qualifications for transfer

…

9A.03 The following requirements do not apply to a transfer of listing from GEM to the Main Board under this Chapter~~ or Chapter 9B~~:~~—~~

(1A) for a GEM issuer that has published a Public AP for the purpose of the transfer, the requirement for the publication of a Post Hearing Information Pack under rule 12.01B; and

…

…

Chapter 9B

EQUITY SECURITIES

STREAMLINED TRANSFER OF LISTING FROM GEM TO MAIN BOARD

…

Qualifications for a streamlined transfer

…

9B.04 The following requirements do not apply to a transfer of listing from GEM to the Main Board of an Eligible Issuer under this Chapter:–

…

(3) all requirements relating to application procedures, listing documents and prospectuses under Chapters 9, 11, 11A and 18; ~~and~~

(4) all requirements relating to the publication and/or issue of listing documents, prospectuses~~, Application Proofs~~ and Post Hearing Information Packs under Chapter 12 and Practice Note 22; and

(5) the requirement for the payment of the initial listing fee under rule 9.03(1)(b) and paragraph 1(1) of the Fees Rules.

…

Chapter 12

EQUITY SECURITIES

PUBLICATION REQUIREMENTS

Preliminary

…

12.01A Where a~~A~~ new applicant elects to~~must~~ publish its Application Proof on the Exchange's website, it must submit its Public AP for publication on the Exchange's website in accordance with rule 2.07C and Practice Note 22.

Note:

Where a new applicant that has not initially elected to publish its Application Proof but elects to publish a subsequent draft of the listing document before the publication of the PHIP:

(1) such updated application proof must be the latest version submitted to the Exchange after taking into account all comments raised by the Exchange and the Commission up to that point in time, if any ("Updated Application Proof"); and

(2) all requirements applicable to Public APs shall apply, mutatis mutandis, to the Updated Application Proof elected to be published by the applicant as if the reference to "Application Proof" in the definition of Public AP was a reference to such Updated Application Proof, provided that:

(a) the prescribed timing for:

(i) submission of Public AP for publication in paragraph 9(a) of Practice Note 22; and

(ii) submission of the OC Announcement for publication in paragraph 17A(b)(i) of Practice Note 22

shall be modified to be such date as the new applicant's notification to the Exchange of its election to publish the Updated Application Proof;

(b) the Updated Application Proof must contain additional disclaimer and warning statements to advise readers that the Updated Application Proof is an interim draft only and remains subject to review by the Exchange and the Commission. The disclaimer must state that the publication of the Updated Application Proof is solely the result of election by the applicant, at its discretion, and is not an indication of the progress of vetting, nor an indication that the whole, or any part of, the

Updated Application Proof and the relevant listing application has been approved by the Exchange or the Commission.

…

Chapter 18A

EQUITY SECURITIES

BIOTECH COMPANIES

Scope

The Exchange Listing Rules apply as much to Biotech Companies with, or seeking, a listing as they do to other issuers, subject to the additional requirements, modifications and exceptions set out or referred to in this Chapter.

This Chapter sets out rules and modifications to existing rules applicable to ~~additional listing conditions, disclosure requirements and continuing obligations for~~ Biotech Companies that seek to list under this Chapter~~on the basis that they are unable to satisfy either the profit test in rule 8.05(1), the market capitalisation/revenue/cash flow test in rule 8.05(2), or the market capitalization/revenue test in rules 8.05(3)~~.

…

DEFINITIONS AND INTERPRETATION

18A.01 For the purposes of this Chapter unless otherwise stated or the context otherwise requires the following terms have the meanings set out below:—

"Competent Authority" the US Food and Drug Administration, the ~~China Food and Drug Administration~~National Medical Products Administration, the European Medicines Agency.

The Exchange may, at its discretion, recognise another national or supranational authority as a Competent Authority for the purposes of this Chapter in individual cases (depending on the nature of the Biotech Product).

…

ADDITIONAL EXCEPTIONS TO THE RULES FOR APPLICANTS THAT MEET THE REQUIREMENTS OF RULE 8.05

18A.13 Rules 18A.05, 18A.06, 18A.09 to 18A.11 do not apply to a Biotech Company new applicant that is able to satisfy any of the profit test in rule 8.05(1), the market capitalisation/revenue/cash flow test in rule 8.05(2) or the market capitalisation/revenue test in rule 8.05(3).

Note: For the avoidance of doubt, rules 18A.09 to 18A.11 do not apply to such a Biotech Company for so long as it is listed on the Exchange.

…

Chapter 18C

EQUITY SECURITIES

SPECIALIST TECHNOLOGY COMPANIES

Scope

The Exchange Listing Rules apply as much to Specialist Technology Companies with, or seeking, a listing as they do to other issuers, subject to the additional requirements, modifications and exceptions set out or referred to in this Chapter.

This Chapter sets out rules and modifications to existing rules applicable to Specialist Technology Companies that seek to list under this Chapter~~on the basis that they are unable to satisfy either the profit test in rule 8.05(1), the market capitalisation/revenue/cash flow test in rule 8.05(2), or the market capitalisation/revenue test in rule 8.05(3)~~.

…

ADDITIONAL EXCEPTIONS TO THE RULES FOR APPLICANTS THAT MEET THE REQUIREMENTS OF RULE 8.05

18C.25 Rules 18C.05 and 18C.14(2) do not apply to a Specialist Technology Company new applicant that is able to satisfy any of the profit test in rule 8.05(1), the market capitalisation/revenue/cash flow test in rule 8.05(2) or the market capitalisation/revenue test in rule 8.05(3).

…

Chapter 19

EQUITY SECURITIES

PRIMARY LISTINGS OF OVERSEAS ISSUERS

…

Accountants' Reports

…

19.14 Where the Exchange allows a report to be drawn up otherwise than in conformity with HKFRS or IFRS, the report will be required to conform with financial reporting standards acceptable to the Exchange. In such cases the Exchange will normally require the report to contain a reconciliation statement setting out the financial effect of the material differences (if any) from either HKFRS or IFRS.

Notes:

…

4. An overseas issuer with a dual primary listing that adopts one of the alternative standards referred to in Note 2 above (other than (i) issuers incorporated in a member state of the European Union which have adopted EU-IFRS and (ii) issuers which were listed on a stock exchange in the United States of America and have adopted US GAAP) for the preparation of its accountants' reports must adopt HKFRS or IFRS if it de-lists from the jurisdiction of that alternative standard and must do so for any annual and interim financial statements that fall due under the Exchange Listing Rules, and are published, after the first anniversary of the date of its de-listing.

…

Annual report and accounts and auditors' report

…

19.25A The annual accounts are required to conform with financial reporting standards acceptable to the Exchange, which are normally HKFRS or IFRS. Where the Exchange allows annual accounts to be drawn up otherwise than in conformity with HKFRS or IFRS, the annual accounts will be required to conform with financial reporting standards acceptable to the Exchange. In such cases the Exchange will normally require the annual accounts to contain a reconciliation statement setting out the financial effect of the material differences (if any) from either HKFRS or IFRS.

Notes:

…

3. *An overseas issuer is also required to include a reconciliation statement in its interim report. The reconciliation statement contained in the annual accounts ~~or interim report~~ must be reviewed by its auditor, and the reconciliation statement contained in the interim report must be reviewed by its audit committee.*

4. *An overseas issuer with a dual primary listing that adopts one of the alternative standards referred to in Note 2 above (other than (i) issuers incorporated in a member state of the European Union which have adopted EU-IFRS and (ii) issuers which were listed on a stock exchange in the United States of America and have adopted US GAAP) for the preparation of its annual accounts must adopt HKFRS or IFRS if it de-lists from the jurisdiction of that alternative standard and must do so for any annual and interim financial statements that fall due under the Exchange Listing Rules, and are published, after the first anniversary of the date of its de-listing.*

…

Chapter 19C

EQUITY SECURITIES

SECONDARY LISTINGS OF OVERSEAS ISSUERS

…

Qualifications for Secondary Listing

…

19C.05 An overseas issuer with a WVR structure must satisfy one of the following criteria:

(1) a market capitalisation of at least HK$~~40,000,000,000~~20,000,000,000 at the time of listing; or

(2) a market capitalisation of at least HK$~~10,000,000,000~~6,000,000,000 at the time of listing and revenue of at least HK$~~1,000,000,000~~600,000,000 for the most recent audited financial year.

19C.05A An overseas issuer without a WVR structure must satisfy either paragraphs (1) and (2) ("Criteria A") or paragraphs (3) and (4) ("Criteria B") below:

…

Criteria B

…

(4) a market capitalisation of at least HK$~~10,000,000,000~~6,000,000,000 at the time of listing.

Note: A waiver of the listing track record criteria of paragraphs (1) and (3) above may be granted if the applicant seeking a secondary listing is well-established and has a market capitalisation at listing that is significantly larger than HK$~~10,000,000,000~~6,000,000,000.

…

Accountants' Reports

…

19C.10D Accountants' reports are required to conform with financial reporting standards acceptable to the Exchange, which are normally HKFRS or IFRS. Where the Exchange allows a report to be drawn up otherwise than in conformity with HKFRS or IFRS, the Exchange may, having regard to the exchange on which the overseas issuer has its primary listing, require the report to contain a reconciliation statement setting out the financial effect of the material differences (if any) from either HKFRS or IFRS.

Notes:

…

4. *An overseas issuer with a secondary listing that adopts one of the alternative standards referred to in Note 2 above (other than (i) issuers incorporated in a member state of the European Union which have adopted EU-IFRS and (ii) issuers which were listed on a stock exchange in the United States of America and have adopted US GAAP) for the preparation of its accountants' reports must adopt HKFRS or IFRS if it de-lists from the jurisdiction of that alternative standard and must do so for any annual and interim financial statements that fall due under the Exchange Listing Rules, and are published, after the first anniversary of the date of its de-listing.*

…

Annual report and accounts and auditors' report

…

19C.23 The annual accounts are required to conform with financial reporting standards acceptable to the Exchange, which are normally HKFRS or IFRS. Where the Exchange allows annual accounts to be drawn up otherwise than in conformity with HKFRS or IFRS, the annual accounts will be required to conform with financial reporting standards acceptable to the Exchange. In such cases the Exchange will normally require the annual accounts to contain a reconciliation statement setting out the financial effect of the material differences (if any) from either HKFRS or IFRS.

Notes:

…

3. *An overseas issuer is also required to include a reconciliation statement in its interim report. The reconciliation statement contained in the annual accounts ~~or interim report~~ must be reviewed by its auditor, and the reconciliation statement contained in the interim report must be reviewed by its audit committee.*

4. *An overseas issuer with a secondary listing that adopts one of the alternative standards referred to in Note 2 above (other than (i) issuers incorporated in a member state of the European Union which have adopted EU-IFRS and (ii) issuers which were listed on a stock exchange in the United States of America and have adopted US GAAP) for the preparation of its annual accounts must adopt HKFRS or IFRS if it de-lists from the jurisdiction of that alternative standard and must do so for any annual and interim financial statements that fall due under the Exchange Listing Rules, and are published, after the first anniversary of the date of its de-listing.*

…

Chapter 20

INVESTMENT VEHICLES

AUTHORISED COLLECTIVE INVESTMENT SCHEMES

…

Publication Requirements

20.25 Where a~~A~~ new applicant with a listing agent appointed which is required to discharge the functions equivalent to those of a sponsor elects to~~must~~ publish its Application Proof on the Exchange's website, it must submit its Public AP for publication on the Exchange's website in accordance with rule 2.07C and Practice Note 22.

Note:

Where a new applicant that has not initially elected to publish its Application Proof but elects to publish a subsequent draft of the listing document before the publication of the PHIP:

(1) such updated application proof must be the latest version submitted to the Commission after taking into account all comments raised by the Commission up to that point in time, if any ("Updated Application Proof"); and

(2) all requirements applicable to Public APs shall apply, mutatis mutandis, to the Updated Application Proof elected to be published by the applicant as if the reference to "Application Proof" in the definition of Public AP was a reference to such Updated Application Proof, provided that:

(a) the prescribed timing for:

(i) submission of Public AP for publication in paragraph 9(b) of Practice Note 22; and

(ii) submission of the OC Announcement for publication in paragraph 17A(b)(i) of Practice Note 22,

shall be modified to be such date as the new applicant's notification to the Commission of its election to publish the Updated Application Proof.

(b) the Updated Application Proof must contain additional disclaimer and warning statements to advise readers that the Updated Application Proof is an interim draft only and remains subject to review by the Commission. The disclaimer must state that the publication of the Updated Application Proof is solely the result of election by the applicant, at its discretion, and is not an indication of the progress of vetting, nor an indication that the whole, or any part of, the Updated Application

Proof and the relevant listing application has been approved by the Commission.

…

The Stock Exchange of Hong Kong Limited

Practice Note 15

to the Rules Governing the Listing of Securities
(the "Exchange Listing Rules")

Issued pursuant to rule 1.06 of the Exchange Listing Rules

PRACTICE WITH REGARD TO PROPOSALS SUBMITTED BY ISSUERS TO EFFECT THE SEPARATE LISTING ON THE EXCHANGE OR ELSEWHERE OF ASSETS OR BUSINESSES WHOLLY OR PARTLY WITHIN THEIR EXISTING GROUPS

…

3. Principles

The principles, which apply equally whether the entity to be spun off is to be listed in Hong Kong or overseas, are as follows:

…

(g) *Announcement of spin-off*

~~An issuer must announce its spin-off listing application by the time it lodges the Form A1 (or its equivalent in any overseas jurisdiction). Where an overseas jurisdiction requires a confidential filing, the matter should be discussed with the Listing Division before the filing.~~

The Parent must announce the spin-off listing application by the time Newco publishes its PHIP, provided that if Newco elects to publish its Application Proof or Updated Application Proof on the Exchange's website under rule 12.01A, the announcement must be made by the time the Public AP is published. Where Newco is to be listed on another exchange, the announcement must be made by the time the relevant listing application is first made public there.

Until announcement of the application, strict confidentiality should be maintained and, if there is a leakage of information or a significant, unexplained movement in the price or turnover volume of the Parent's securities, an earlier announcement would be required.

…

The Stock Exchange of Hong Kong Limited

Practice Note 22

to the Rules Governing the Listing of Securities
(the "Exchange Listing Rules")

Issued pursuant to rule 1.06 of the Exchange Listing Rules

PUBLICATION OF ~~APPLICATION PROOFS,~~ OC ANNOUNCEMENTS AND DRAFT LISTING DOCUMENTS~~POST HEARING INFORMATION PACKS (PHIPs)~~

Definitions and Interpretation

1. For the purposes of this Practice Note:

…

"HKEx-ESS"	means the Exchange's electronic submission system or by whatever name the system is called for submitting ~~Application Proofs~~Public APs, OC Announcements and PHIPs for publication on the Exchange's website
"Returned Application"	means any application returned by the Exchange~~Listing Division~~ under rule 9.03(3) or the Commission (as the case may be) where all related review procedures on the decision to return the application have been completed or the time for invoking them has lapsed

2. Unless the context otherwise requires:

(a) the reference to a "new applicant" or "applicant" includes a new CIS applicant which has elected to publish or is required to publish ~~an Application Proof~~a Public AP, an OC Announcement and/or a PHIP under rules 20.25 and 20.26 of the Exchange Listing Rules (where applicable); and

…

Language

3. Every Public AP~~Application Proof~~ and PHIP for publication must be:

…

Content of Public APs~~Application Proofs~~, OC Announcements and PHIPs

4. For the purpose of publication on the Exchange's website, a~~n~~ Public AP~~Application Proof~~, an OC Announcement and a PHIP must be prepared on the following principles:

…

(c) there must not be any other information regarding the proposed offering or other information that would constitute the Public AP~~Application Proof~~, OC Announcement or PHIP a prospectus under section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance or an advertisement under section 38B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance or an invitation to the public in breach of section 103 of the Securities and Futures Ordinance as amended from time to time; and

(d) there must be appropriate disclaimer and warning statements to advise readers of the legal status of a~~n~~ Public AP~~Application Proof~~, an OC Announcement and a PHIP to the effect that:

…

(ii) (for a~~n~~ Public AP~~Application Proof~~ and PHIP) it is not in a final form and is subject to change;

(iii) no investment decision should be based on the information contained in the Public AP~~Application Proof~~, OC Announcement and PHIP;

…

5. A new applicant must redact a~~n~~ Public AP~~Application Proof~~ and a PHIP only to the extent necessary for these documents not to constitute a prospectus under section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance or an advertisement under section 38B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance or an invitation to the public in breach of section 103 of the Securities and Futures Ordinance (unless consent is obtained for further redactions).

5A. A new applicant must also include adequate warning and disclaimer statements on the Exchange's website and in every Public AP~~Application Proof~~, OC Announcement and PHIP published on the Exchange's website to advise viewers of the legal status of these documents.

Legal Confirmation

6. Every new applicant must ensure that the publication of any Public AP~~Application Proof~~, OC Announcement and PHIP on the Exchange's website complies with paragraphs 4, 5 and 5A above. Compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures Ordinance and other laws and regulations remains the primary responsibility of every new applicant.

7. To ensure compliance, a new applicant must provide the Exchange with a confirmation from its legal adviser that the new applicant has complied with the Exchange's guidance on redactions in its Public AP~~Application Proof~~ and PHIP and inclusion of appropriate warning and disclaimer statements for publication of any Public AP~~Application Proof~~, OC Announcement and PHIP.

8. Where a new applicant is concerned that the publication of any Public AP~~Application Proof~~, OC Announcement and PHIP on the Exchange's website may violate securities laws in other overseas jurisdictions in which an offer of securities is intended to be marketed, it should include sufficient warning statements in the Public AP~~Application Proof~~, the OC Announcement and the PHIP to make clear that these documents are intended for access by Hong Kong residents only or that the readers need to confirm prior to reading these documents that there are no laws or regulations prohibiting the readers from gaining access (for viewing and downloading) to the Public AP~~Application Proof~~, OC Announcement and/or PHIP.

Prescribed Timing for Publishing Public APs~~Application Proofs~~

9. Where a~~A~~ new applicant elects to publish its Application Proof on the Exchange's website, it must submit its Public AP~~Application Proof~~ through HKEx-ESS for publication on the Exchange's website:

   (a) in the case of a new applicant for listing equity securities, on the same day the new applicant files a listing application with the Exchange; or

   (b) in the case of a new CIS applicant~~ required to publish its Application Proof under rule 20.25~~, on the same day the new CIS applicant files an authorisation application with the Commission.

10. Where a~~n~~ new applicant has published a Public AP but the related listing application or authorisation application has lapsed and is re-submitted within three months, such new applicant must publish a Public AP and an OC Announcement (where applicable) when it re-submits its listing application or authorisation application.~~, no Application Proof is required to be submitted for publication on the Exchange's website if at the time of the submission of the application the following conditions are satisfied:~~

   ~~(a) a PHIP or a final listing document has been published on the Exchange's website; and~~

   ~~(b) the sponsor provides a written confirmation to the Exchange or the Commission (as the case may be) that the PHIP or the final listing document published on the Exchange's website does not need to be updated and remains valid.~~

11. Where a new Public AP~~Application Proof~~ is submitted for publication on the Exchange's website, no mark-up against the previous publication copy~~proof~~ is required.

…

Prescribed Timing for Publishing the OC Announcements

17A. (a) Save as provided in sub-paragraph (b) below, ~~A~~a new applicant must submit an OC Announcement through HKEx-ESS for publication on the Exchange's website on the same date as it publishes its PHIP~~files the listing application and publishes the Application Proof (or where applicable, on the same date as it files an authorisation application with the Commission and publishes the Application Proof in accordance with rule 20.25 of the Exchange Listing Rules)~~.

(b) Where a new applicant elects to publish a Public AP on the Exchange's website:

(i) it must submit an OC Announcement through HKEx-ESS for publication on the Exchange's website on the same date as it files the listing application and publishes the Public AP in accordance with rule 12.01A of the Exchange Listing Rules (or where applicable, on the same date as it files an authorisation application with the Commission and publishes the Public AP in accordance with rule 20.25 of the Exchange Listing Rules); and

(ii) if the~~A~~ new applicant ~~must~~ appoints any~~all~~ other overall coordinator(s) ~~no later than 2 weeks~~ following the publication of the OC Announcement in sub-paragraph (i), it must ~~its submission (or re-filing, as the case may be) of the listing application (or where applicable, the authorisation application with the Commission) and~~ publish an OC Announcement informing the investing public of the name of the newly appointed overall coordinator(s) as soon as each appointment is made and in any event no later than the first business day after the date of the appointment.

(c) In the case of the termination of ~~Where~~ the engagement of an overall coordinator, where the appointment of the outgoing overall coordinator was previously disclosed in an OC Announcement ~~is terminated after the submission (or refiling, as the case may be) of the listing application (or where applicable, the authorisation application with the Commission)~~, the new applicant shall publish an announcement on the termination (which shall include the name(s) of all remaining overall coordinator(s), if any) as soon as practicable.

~~Confidential Filings~~

18. [Repealed 24 July 2026]~~A new applicant applying for a secondary listing under rule 19C.05 or Criteria B under rule 19C.05A at the time of filing its listing application is entitled to make a confidential filing of its Application Proof. For a new applicant which has been listed on a Recognised Stock Exchange or is applying for secondary listing under Criteria A under rule 19C.05A, the Exchange will consider a request for confidential filing of an Application Proof on the basis of the issuer's individual circumstances and the merits of the case. A new applicant allowed to make a confidential filing (i) is not subject to the publication requirements for its Application Proof unless it is requested to comply with them by the Exchange or the Commission (as the case may be); and (ii) is not required to publish an OC Announcement at the prescribed timing set out in paragraph 17A above. Instead, such new applicant shall publish an OC~~

~~Announcement on the same date as it publishes its PHIP. All other requirements under the Exchange Listing Rules apply unless a waiver is granted.~~

19. [Repealed 24 July 2026]~~The Exchange or the Commission (as the case may be) may waive or modify the publication requirements for an Application Proof and an OC Announcement in a spin-off from an overseas listed parent upon application by a new applicant. A new applicant is encouraged to consult the Exchange or the Commission (as the case may be) if it envisages any difficulties in complying with the publication requirements at least 2 months before the filing of its Application Proof and OC Announcement.~~

No pre-vetting of Public APs~~Application Proofs~~, OC Announcements or PHIPs

20. Public APs~~Application Proofs~~, OC Announcements, PHIPs and statements issued under rule 9.08(2)(c) do not require pre-vetting or clearance from the Exchange or the Commission (as the case may be) before their publication on the Exchange's website.

Status Marks and Information on the Exchange's Website

21. The Exchange will publish the following status marks and information on the Exchange's website to indicate the status of each published listing application:

Status Mark	Status of Listing Application	Information on the Exchange's Website
"Active"	Any valid listing or authorisation application and includes an application of which the review of a decision to return or reject the application is pending	• The name of the new applicant • The contents of the latest submitted ~~Application Proof~~Public AP, OC Announcement, ~~and any~~ PHIPs and statements under rule 9.08(2)(c), in each case, to the extent applicable ~~submitted thereafter~~ Note: If a new applicant has not previously published any Public AP, OC Announcement or PHIP, the above information will not be published
"Inactive" comprising • "Lapsed" • "Withdrawn"	 Any lapsed application Any withdrawn application	• The name of the new applicant

Status Mark	Status of Listing Application	Information on the Exchange's Website
• "Rejected"	Any rejected application	• A record of the date and description of the documents previously published Notes: 1. If a new applicant has not previously published any Public AP, OC Announcement or PHIP, the above information will not be published 2. The contents of all previously published documents will no longer be accessible but there will be a record of these documents
"Listed"	Any application of which the applicant is subsequently listed on the Exchange	• The name of the new applicant • The contents of the latest submitted ~~Application Proof~~ Public AP, OC Announcement, ~~and any~~ PHIPs and statements under rule 9.08(2)(c), in each case, to the extent applicable ~~submitted thereafter~~ ~~Note:~~ ~~The contents of all previously published documents which have been categorised as "Inactive" will no longer be accessible, but there will be a record of these documents~~
"Returned"	Any Returned Application	• The name of the new applicant • The name of the sponsor or listing agent • The names and roles of other professional parties involved in the proposed listing, as

Status Mark	Status of Listing Application	Information on the Exchange's Website
		required to be disclosed for a Returned Application under the relevant guidance published on the Exchange's website (as amended from time to time) • The ~~date of the Exchange's or the Commission's return decision~~Returned Date • The reason(s) for the return Notes: 1. All information above will be published even if a Public AP was not previously published on the Exchange's website 2. All other information previously categorised as "Active" will be removed

…

Appendix D2

DISCLOSURE OF FINANCIAL INFORMATION

This appendix sets out the minimum financial information that a listed issuer shall include in its preliminary announcements of results, interim reports, summary interim reports, annual reports, summary financial reports, listing documents and circulars in relation to equity securities. The following requirements are supplementary to and do not supplant any other disclosures required by the Exchange Listing Rules. This appendix also sets out certain recommended disclosure items on discussion and analysis (see paragraph 52) that listed issuers are encouraged to include in their interim and annual reports. These recommended disclosure items are not obligatory, but merely items relating to good practice which are recommended for disclosure.

…

39. A listed issuer's audit committee must review the interim report (including any reconciliation statement setting out the financial effect of the material differences (if any) from either HKFRS or IFRS). In the event that the audit committee disagreed with an accounting treatment which had been adopted or the statement made in accordance with paragraph 38 above, full details of such disagreement must be disclosed in the interim report~~;~~.

…

APPENDIX V: AMENDMENTS TO THE GEM LISTING RULES

Note: Rules that have been added or amended compared to those included in the Consultation Paper are highlighted in yellow.

Chapter 1

GENERAL

INTERPRETATION

1.01 Throughout these Rules, the following terms, except where the context otherwise requires, have the following meanings:

…

"corporate communication" any document issued or to be issued by an issuer for the information or action of holders of any of its securities or the investing public, including but not limited to:—

(a) the directors' report and its annual accounts together with a copy of the auditors' report thereon and, where applicable, its summary financial report;

(b) the interim report and, where applicable, its summary interim report;

(c) [Repealed 1 January 2024]

(d) a notice of meeting;

(e) a listing document;

(f) a circular;

(g) a proxy form;

(h) a~~n~~ Public AP~~Application Proof~~; and

(i) a Post Hearing Information Pack or PHIP

…

"Public AP"	an Application Proof published or to be published on the Exchange's website

…

"Returned Date"	in relation to a decision of the Exchange made pursuant to rule 12.09(2) to return a new applicant's listing application and all related documents, means: (a) the date on which the time period for invoking any review procedures has lapsed; or (b) where the applicant invokes such procedures, the date on which all applicable review procedures in respect of that decision have been completed

…

"US GAAP"	Generally Accepted Accounting Principles in the United States of America

…

Chapter 7

GENERAL

ACCOUNTANTS' REPORTS AND PRO FORMA FINANCIAL INFORMATION

…

Accounting standards

…

7.14 In the case of the accountants' report for an overseas issuer, where the Exchange allows a report to be drawn up otherwise than in conformity with either of the standards referred to in rule 7.12, the report will be required to conform with financial reporting standards acceptable to the Exchange. In such cases, the Exchange will normally require the report to contain a reconciliation statement setting out the financial effect of the material differences (if any) from either of the standards referred to in rule 7.12.

Notes:

…

4. An overseas issuer with a dual listing that adopts one of the alternative standards referred to in Note 2 above (other than (i) issuers incorporated in a member state of the European Union which have adopted EU-IFRS and (ii) issuers which were listed on a stock exchange in the United States of America and have adopted US GAAP) for the preparation of its accountants' reports must adopt HKFRS or IFRS if it de-lists from the jurisdiction of that alternative standard and must do so for any annual and interim financial statements that fall due under the GEM Listing Rules, and are published, after the first anniversary of the date of its de-listing.

…

Chapter 9

GENERAL

TRADING HALT, SUSPENSION AND RESUMPTION OF DEALINGS, CANCELLATION AND WITHDRAWAL OF LISTING

…

Transfer of listing

…

9.26 ~~As soon as reasonably practicable and in any event by the same day an application is submitted to the Exchange~~An issuer applying for a transfer of listing from GEM to the Main Board~~, the issuer shall~~ must announce the relevant facts to inform the market~~.~~:

(a) for an application made under Chapter 9A of the Main Board Listing Rules, when a PHIP is published by the issuer; or

(b) for an application made under Chapter 9B of the Main Board Listing Rules, in accordance with Main Board Listing Rule 9B.08.

Until announcement of the application, strict confidentiality in relation to the application of the transfer of listing should be maintained. If there is a leakage of information or a significant, unexplained movement in the price or turnover volume of the issuer's securities, an earlier announcement would be required.

Note: Where an issuer applying for a transfer of listing from GEM to the Main Board elects to publish its Application Proof or Updated Application Proof on the Exchange's website under rule 16.01A, the issuer must announce such application on the same day the Public AP is published.

…

Chapter 11

EQUITY SECURITIES

QUALIFICATIONS FOR LISTING

…

Additional conditions applicable to new applicants

…

Conditions for listing

11.12A A new applicant must satisfy either the cash flow test (see sub-paragraphs (1) to (3) below) or the market capitalisation/revenue/research and development test (see sub-paragraph (4) below).

The cash flow test

…

(2) The applicant must have had continuity of ownership and control throughout the full financial year immediately preceding the issue of the listing document and up until the date of listing; and

…

The market capitalisation/revenue/research and development test

(4) A new applicant must have each of the following:

…

(b) continuity of ownership and control throughout the full financial year immediately preceding the issue of the listing document and up until the date of listing;

…

Note 2: For the purpose of rules 11.12A(4)(f) and (4)(g), the Exchange will publish guidance on the Exchange's website, as amended from time to time, on the items that qualify as: (a) expenditure on research and development; and (b) total operating expenditure.

<u>*Note: The ownership continuity and control requirement under rule 11.12A is intended to ensure that the applicant's financial performance resulted from the actual dynamics between the controlling shareholder and the management for at least*</u>

the most recent financial year up until the time immediately prior to listing (the "Relevant Period"). Failure to satisfy the ownership continuity and control requirement may raise concerns on packaging as there may be a material change in influence on management. An applicant will be considered to have satisfied the ownership continuity and control requirement if it can demonstrate, to the Exchange's satisfaction, that there was no material change in influence on management during the Relevant Period despite a change in controlling shareholder over that period.

…

Chapter 12

EQUITY SECURITIES

APPLICATION PROCEDURES AND REQUIREMENTS

…

Applications

General

…

12.09 …

(2) If the Exchange decides this information is not substantially complete, the Exchange will not continue to review any documents relating to the application. All documents~~,~~ (including the Form ~~5~~A but ~~(~~except for the retention of a copy of these documents for the Exchange's record) submitted to the Exchange will be returned to the Sponsor. The initial listing fee will be dealt with in the manner described in the note to rule 12.14(4) below.

(3) For an application~~s~~ which was~~were~~ previously returned by the Exchange, the applicant can only submit a new Form ~~5~~A together with a new Application Proof not less than 8 weeks after the Returned Date~~Return Decision~~.

Notes: (1)-(3) [Repealed 1 October 2013]

(4) The Exchange will publish details of applications returned by the Exchange as stated in paragraph 20 of Practice Note 5 upon completion of all review procedures or the expiry of the period for invoking such procedures.

…

12.10 No publicity material on an issue of securities by a new applicant can be released in Hong Kong by a new applicant or its agent unless and until the Exchange has reviewed it and confirmed to the applicant that it has no comments. In addition, the publicity material must comply with all statutory requirements. If the Exchange believes that a new applicant or its advisers have permitted information on the listing of the new applicant's securities to leak, the Exchange will normally delay the application for the listing of those securities. For these purposes:

…

(2) the following documents do not fall within the scope of this rule and need not be submitted for prior review:

(a) a~~n~~ Public AP~~Application Proof~~ published on the Exchange's website under rule 16.01A;

…

(c) any statement by a new applicant published on the Exchange's website stating that no reliance should be placed on any media reports about the new applicant subsequent to the publication of its Public AP~~Application Proof~~, OC Announcement or Post Hearing Information Pack, as the case may be; and

…

Chapter 16

EQUITY SECURITIES

PUBLICATION REQUIREMENTS

Role of the Exchange

…

16.01A Where a~~A~~ new applicant elects to~~must~~ publish its Application Proof on the Exchange's website, it must submit its Public AP for publication on the Exchange's website in accordance with rule 16.17 and Practice Note 5.

Note:

Where a new applicant that has not initially elected to publish its Application Proof but elects to publish a subsequent draft of the listing document before the publication of the PHIP:

(1) such updated application proof must be the latest version submitted to the Exchange after taking into account all comments raised by the Exchange and the Commission up to that point in time, if any ("Updated Application Proof"); and

(2) all requirements applicable to Public APs shall apply, mutatis mutandis, to the Updated Application Proof elected to be published by the applicant as if the reference to "Application Proof" in the definition of Public AP was a reference to such Updated Application Proof, provided that:

(a) the prescribed timing for:

(i) submission of Public AP for publication in paragraph 8 of Practice Note 5; and

(ii) submission of the OC Announcement for publication in paragraph 16A(b)(i) of Practice Note 5,

shall be modified to be such date as the new applicant's notification to the Exchange of its election to publish the Updated Application Proof;

(b) the Updated Application Proof must contain additional disclaimer and warning statements to advise readers that the Updated Application Proof is an interim draft only and remains subject to review by the Exchange and the Commission. The disclaimer must state that the publication of the Updated Application Proof is solely the result of election by the applicant, at its discretion, and is not an indication of the progress of vetting, nor an indication that the whole, or any part of, the

Updated Application Proof and the relevant listing application has been approved by the Exchange or the Commission.

…

Publication on the Exchange's website

…

16.19 (1) Every issuer must have its own website on which it must publish any announcement, notice or other document published under rule 16.17 on the Exchange's website. The publication should be at the same time as publication of the electronic copy of the document on the Exchange's website. A new applicant is not required to publish ~~an~~ Public AP~~Application Proof~~, OC Announcement or Post Hearing Information Pack on its own website. In any event:

…

Chapter 18

EQUITY SECURITIES

FINANCIAL INFORMATION

…

Interim reports

…

Content of interim reports

18.55 Each interim report shall contain the disclosures required under the relevant accounting standards adopted and the information set out below:

…

Notes: …

2 Each interim report <u>(including any reconciliation statement setting out the financial effect of the material differences (if any) from either HKFRS or IFRS)</u> must be reviewed by the issuer's audit committee. In the event that the audit committee disagreed with an accounting treatment which had been adopted in the preparation of the group's interim report, full details of such disagreement should be disclosed together with a quantification of the financial effect arising from the disagreement. Where it is not possible to quantify the effect of the disagreement, or the effect is not significant, a statement to this effect should be made.

…

Chapter 24

EQUITY SECURITIES

OVERSEAS ISSUERS

…

Chapters 17 and 18 – Continuing Obligations and Financial Information

…

24.18A The annual accounts are required to conform with financial reporting standards acceptable to the Exchange, which are normally HKFRS or IFRS. Where the Exchange allows annual accounts to be drawn up otherwise than in conformity with HKFRS or IFRS, the annual accounts will be required to conform with financial reporting standards acceptable to the Exchange. In such cases the Exchange will normally require the annual accounts to contain a reconciliation statement setting out the financial effect of the material differences (if any) from either HKFRS or IFRS.

Notes:

…

3. *An overseas issuer is also required to include a reconciliation statement in its interim report. The reconciliation statement contained in the annual accounts ~~or interim report~~ must be reviewed by its auditor, and the reconciliation statement contained in the interim report must be reviewed by its audit committee.*

4. *An overseas issuer with a dual listing that adopts one of the alternative standards referred to in Note 2 above (other than (i) issuers incorporated in a member state of the European Union which have adopted EU-IFRS and (ii) issuers which were listed on a stock exchange in the United States of America and have adopted US GAAP) for the preparation of its annual accounts must adopt HKFRS or IFRS if it de-lists from the jurisdiction of that alternative standard and must do so for any annual and interim financial statements that fall due under the GEM Listing Rules, and are published, after the first anniversary of the date of its de-listing.*

…

The Stock Exchange of Hong Kong Limited

Practice Note 3

to the Rules Governing the Listing of Securities on GEM
of The Stock Exchange of Hong Kong Limited
(the "GEM Listing Rules")

Issued pursuant to rule 1.07 of the GEM Listing Rules

PRACTICE WITH REGARD TO PROPOSALS SUBMITTED BY ISSUERS TO EFFECT THE SEPARATE LISTING ON THE EXCHANGE OR ELSEWHERE OF ASSETS OR BUSINESSES WHOLLY OR PARTLY WITHIN THEIR EXISTING GROUPS

…

3. Principles

The principles, which apply equally whether the entity to be spun off is to be listed in Hong Kong or overseas, are as follows:

…

(g) *Announcement of spin-off*

~~An issuer must announce its spin-off listing application by the time it lodges the Form A (or its equivalent in any overseas jurisdiction). Where an overseas jurisdiction requires a confidential filing, the matter should be discussed with the Listing Division before the filing.~~

The Parent must announce the spin-off listing application by the time Newco publishes its PHIP, provided that if Newco elects to publish its Application Proof or Updated Application Proof on the Exchange's website under rule 16.01A, the announcement must be made by the time the Public AP is published. Where Newco is to be listed on another exchange, the announcement must be made by the time as the relevant listing application is first made public there.

Until announcement of the application, strict confidentiality should be maintained and if there is a leakage of information or a significant, unexplained movement in the price or turnover volume of the Parent's securities, an earlier announcement would be required.

…

The Stock Exchange of Hong Kong Limited

Practice Note 5

to the Rules Governing the Listing of Securities on GEM
of The Stock Exchange of Hong Kong Limited
(the "GEM Listing Rules")

Issued pursuant to rule 1.07 of the GEM Listing Rules

Publication of ~~Application Proofs,~~ OC Announcements and Draft Listing Documents~~Post Hearing Information Packs (PHIPs)~~

Definitions and Interpretation

1. For the purposes of this Practice Note:

…

"HKEx-ESS"	means the Exchange's electronic submission system or by whatever name the system is called for submitting Public APs~~Application Proofs~~, OC Announcements and PHIPs for publication on the Exchange's website
"Returned Application"	means any application returned by the ~~Listing Division~~Exchange under rule 12.09(2) where all related review procedures on the ~~Return Decision~~ decision to return the application have been completed or the time for invoking them has lapsed

Language

2. Every Public AP~~Application Proof~~ and PHIP for publication must be:

…

Content of Public APs~~Application Proofs~~, OC Announcements and PHIPs

3. For the purpose of publication on the Exchange's website, a~~n~~ Public AP~~Application Proof~~, an OC Announcement and a PHIP should be prepared on the following principles:

…

(c) there must not be any other information regarding the proposed offering or other information that would constitute the Public AP~~Application Proof~~, OC Announcement or PHIP a prospectus under section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance or an advertisement under section 38B(1) of the Companies (Winding Up and Miscellaneous Provisions)

Ordinance or an invitation to the public in breach of section 103 of the Securities and Futures Ordinance as amended from time to time; and

(d) there must be appropriate disclaimer and warning statements to advise readers of the legal status of a~~n~~ Public AP~~Application Proof~~, an OC Announcement and a PHIP to the effect that:

…

(ii) (for a~~n~~ Public AP~~Application Proof~~ and PHIP) it is not in a final form and is subject to change;

(iii) no investment decision should be based on the information contained in the Public AP~~Application Proof~~, OC Announcement and PHIP;

…

4. A new applicant must redact a~~n~~ Public AP~~Application Proof~~ and a PHIP only to the extent necessary for these documents not to constitute a prospectus under section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance or an advertisement under section 38B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance or an invitation to the public in breach of section 103 of the Securities and Futures Ordinance (unless consent is obtained for further redactions).

4A. A new applicant must also include adequate warning and disclaimer statements on the Exchange's website and in every Public AP~~Application Proof~~, OC Announcement and PHIP published on the Exchange's website to advise viewers of the legal status of these documents.

Legal Confirmation

5. Every new applicant must ensure that the publication of any Public AP~~Application Proof~~, OC Announcement and PHIP on the Exchange's website complies with paragraphs 3, 4 and 4A above. Compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures Ordinance and other laws and regulations remains the primary responsibility of every new applicant.

6. To ensure compliance, a new applicant must provide the Exchange with a confirmation from its legal adviser that the new applicant has complied with the Exchange's guidance on redactions in its Public AP~~Application Proof~~ and PHIP and inclusion of appropriate warning and disclaimer statements for publication of any Public AP~~Application Proof~~, OC Announcement and PHIP.

7. Where a new applicant is concerned that the publication of any Public AP~~Application Proof~~, OC Announcement and PHIP on the Exchange's website may violate securities laws in other overseas jurisdictions in which an offer of securities is intended to be marketed, it should include sufficient warning statements in the Public AP~~Application Proof~~, OC Announcement and PHIP to make clear that these documents are intended for access by Hong Kong residents only or that the readers need to confirm prior to reading these documents that there are no laws or regulations prohibiting the readers

from gaining access (for viewing and downloading) to the Public AP~~Application Proof~~, OC Announcement and/or PHIP.

Prescribed Timing for Publishing Public APs~~Application Proofs~~

8. Where a~~A~~ new applicant elects to publish its Application Proof on the Exchange's website, it must submit its Public AP~~Application Proof~~ through HKEx-ESS for publication on the Exchange's website on the same day it files a listing application with the Exchange.

9. Where a~~n~~ new applicant has elected to publish a Public AP but the related listing application has lapsed and is re-submitted within three months, such new applicant must publish a Public AP and an OC Announcement (where applicable) when it re-submits its listing application.~~, no Application Proof is required to be submitted for publication on the Exchange's website if at the time of the submission of the application the following conditions are satisfied:~~

   ~~(a) a PHIP or a final listing document has been published on the Exchange's website; and~~

   ~~(b) the Sponsor provides a written confirmation to the Exchange that the PHIP or the final listing document published on the Exchange's website does not need to be updated and remains valid.~~

10. Where a new Public AP~~Application Proof~~ is submitted for publication on the Exchange's website, no mark-up against the previous publication copy~~proof~~ is required.

…

Prescribed Timing for Publishing the OC Announcements

16A. (a) Save as provided in sub-paragraph (b) below, a~~A~~ new applicant must submit an OC Announcement through HKEx-ESS for publication on the Exchange's website on the same date as it publishes its PHIP~~files the listing application and publishes the Application Proof~~.

(b) Where a new applicant elects to publish a Public AP on the Exchange's website:

(i) it must submit an OC Announcement through HKEx-ESS for publication on the Exchange's website on the same date as it files the listing application and publishes the Public AP in accordance with rule 16.01A of the GEM Listing Rules; and

(ii) if theA new applicant ~~must~~ appoints anyall other overall coordinator(s) ~~no later than 2 weeks~~ following the publication of the OC Announcement in sub-paragraph (i), it must ~~its submission (or re-filing, as the case may be) of the listing application and~~ publish an OC Announcement informing the investing public of the name of the newly appointed overall coordinator(s) as soon as each appointment is made and in any event no later than the first business day after the date of the appointment.

(c) In the case of the termination of~~Where~~ the engagement of an overall coordinator, where the appointment of the outgoing overall coordinator was previously disclosed in an OC Announcement ~~is terminated after the submission (or re-filing, as the case may be) of the listing application~~, the new applicant shall publish an announcement on the termination (which shall include the name(s) of all remaining overall coordinator(s), if any) as soon as practicable.

~~Confidential Filings~~

17. [Repealed 24 July 2026]~~For a new applicant which has been listed on a Recognised Stock Exchange, the Exchange will consider a request for confidential filing of Application Proof on the basis of the issuer's individual circumstances and the merits of the case. A new applicant allowed to make a confidential filing (i) is not subject to the publication requirements for its Application Proof unless it is requested to comply with them by the Exchange; and (ii) is not required to publish an OC Announcement at the prescribed timing set out in paragraph 16A above. Instead, such new applicant shall publish an OC Announcement on the same date as it publishes its PHIP. All other requirements under the GEM Listing Rules apply unless a waiver is granted.~~

18. [Repealed 24 July 2026]~~The Exchange may waive or modify the publication requirements for an Application Proof and an OC Announcement in a spin-off from an overseas listed parent upon application by a new applicant. A new applicant is encouraged to consult the Exchange if it envisages any difficulties in complying with the publication requirements at least 2 months before the filing of its Application Proof and OC Announcement.~~

No pre-vetting of Public APs~~Application Proofs~~, OC Announcements or PHIPs

19. Public APs~~Application Proofs~~, OC Announcements, PHIPs and statements issued under rule 12.10(2)(c) do not require pre-vetting or clearance from the Exchange before their publication on the Exchange's website.

Status Marks and Information on the Exchange's Website

20. The Exchange will publish the following status marks and information on the Exchange's website to indicate the status of each published listing application:

Status Mark	Status of Listing Application	Information on the Exchange's website
"Active"	Any valid listing application and includes an application of which the review of a decision to return or reject the application is pending	• The name of the new applicant • The contents of the latest submitted ~~Application Proof~~Public AP, OC Announcement, ~~and any~~ PHIPs and statements under rule 12.10(2)(c), in each case, to the

Status Mark	Status of Listing Application	Information on the Exchange's website
		extent applicable ~~submitted thereafter~~ Note: If a new applicant has not previously published any Public AP, OC Announcement or PHIP, the above information will not be published
"Inactive" comprising: • "Lapsed" • "Withdrawn" • "Rejected"	 Any lapsed application Any withdrawn application Any rejected application	• The name of the new applicant • A record of the date; and description of the documents previously published Notes: 1. If a new applicant has not previously published any Public AP, OC Announcement or PHIP, the above information will not be published 2. The contents of all previously published documents will no longer be accessible but there will be a record of these documents
"Listed"	Any application of which the applicant is subsequently listed on the Exchange	• The name of the new applicant • The contents of the latest submitted ~~Application Proof~~Public AP, OC Announcement, ~~and any~~ PHIPs and statements under rule 12.10(2)(c), in each case, to the extent applicable ~~submitted thereafter~~ ~~Note: The contents of all previously published documents which have been categorised as "Inactive" will no longer be accessible, but there will be a record of these documents~~
"Returned"	Any Returned Application	• The name of the new applicant

Status Mark	Status of Listing Application	Information on the Exchange's website
		• The name of the Sponsor or listing agent • The names and roles of other professional parties involved in the proposed listing, as required to be disclosed for a Returned Application under the relevant guidance published on the Exchange's website (as amended from time to time) • The ~~date of the Return Decision~~Returned Date • The reason(s) for the return Notes: 1. All information above will be published even if a Public AP was not previously published on the Exchange's website 2. All other information previously categorised as "Active" will be removed

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