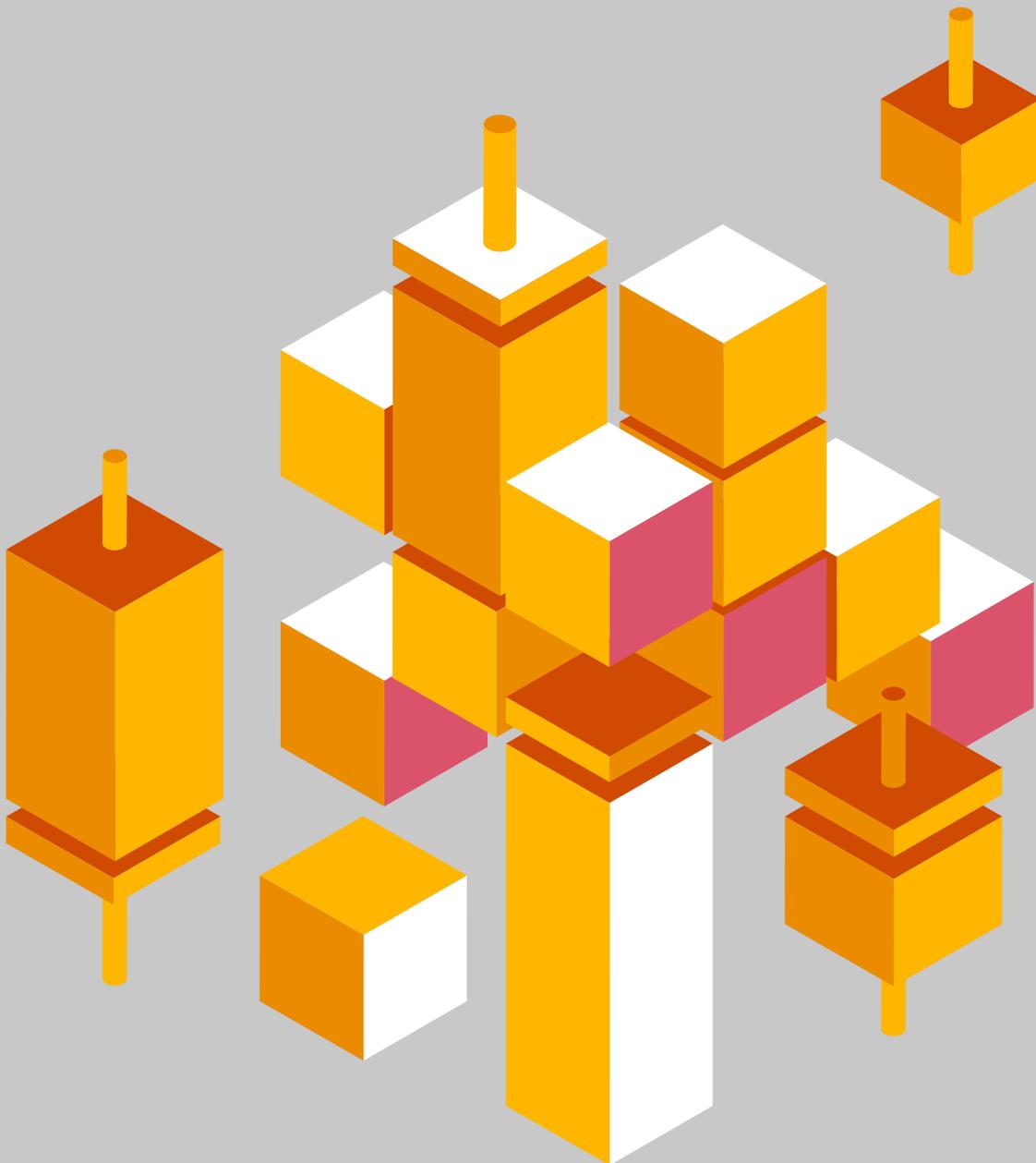




Going Public

Capital Market Services



Your decision to go public

Your decision to go public is a significant milestone in the development of your company, offering the exciting prospects of propelling your company to higher ground. A listing offers many benefits, including a new source of capital for future growth, and for private equity investors, a preferred exit strategy to realise the fruits of dedication and investment.

However, the listing process can be challenging. The path to listing requires a large commitment and realistic timelines. Proper planning for each stage of the initial public offering (IPO) process is essential. To ensure you can continue focusing on your company's operations while moving towards an IPO, you need professional advisors who are familiar with the IPO process and who can foresee issues and help you in resolving them at an early stage.

When partnering with PwC, you can rest assured in knowing that the firm has extensive experience in public offerings, listings and private placements, both locally and internationally, across a broad range of industries. Over the past five years, PwC has served as the reporting accountant for newly listed companies on the Hong Kong Main Board, and accounted for 48% of the total listing funds raised. As a market leader and a pioneer in the capital markets, we were the reporting accountants of the first H-share listing and the first GEM listing in Hong Kong. In terms of China A-shares, PwC has a lot of experience in assisting these enterprises to successfully list, regardless of small and medium-sized private enterprises or central and regional state-owned enterprises.

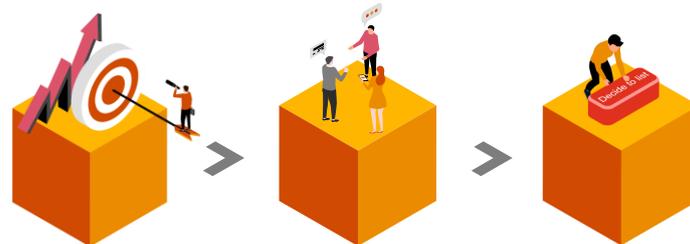
The great majority of the companies we helped to list remain our clients today. The firm has thorough knowledge of different regulatory regimes, listing rules and procedures to provide high-value services to companies interested in raising funds through all major capital markets in the world, including Beijing, Shanghai, Shenzhen, Hong Kong, Singapore, London and New York.

PwC is with you every step of the way.

Overview of the listing process

After you have made the strategic decision to go public, there are various important issues to consider during the critical pre-listing period. At this stage, the reporting accountant plays an important role to guide you during the various issues and considerations and help you to get ready for IPO.

Pre-listing



Determine the listing business

Assess IPO readiness

Decide to list

Equity story

Which market

Track record

Strategic investors

Group restructuring

Taxation

Corporate governance & internal controls

You realise you have a business with a proven track record and exciting business prospects. You have an idea about how to go for a listing to raise funds and to enhance your reputation and realise your growth potential, but you do not know how to proceed. At this stage, your business may be organised under various companies with a different ownership structure. Certain businesses will not be included in the listing plan and have to be taken out. At this very important pre-listing stage, it is common to conduct a corporate restructure to streamline the company and put all relevant business under a single listing vehicle.

In addition, companies may have funding needs before going public. Some of them will seek angel or strategic investors at this stage to obtain funding on the one hand and to access their business experience on the other.

At the outset, your company's streamlined efforts during the pre-listing stage are critical to the success of the IPO process. The right advisor will make all the difference.



How PwC can help

- Assess readiness for a public listing, especially when it is combined with the requirements of regulatory agencies, identify potential listing concerns (such as appropriate shareholding structure issues, independence issues, related party transactions, continuing operations and profitability issues, financial normative issues, etc.), assess the importance of the issues, and provide feasible solutions and timelines;
- Review accounting implications on group restructuring and suggest necessary actions;
- Provide strategic advice on capital market alternatives and fund raising possibilities and introduce strategic investors;
- Provide advice on Environment, Social and Governance (ESG) disclosures and strategy;
- Provide a wide range of tax services to achieve greater tax efficiency for the businesses under the proposed listing and operation structure, and for the owners;
- Assist company shareholders and core executives in personal tax planning;
- Advise on the regulatory requirements and process for an IPO and develop together with you a viable strategy to handle the listing process and enhance the equity value of the listing proposition;
- Review key internal control procedures in relation to financial reporting processes and provide recommendations to enhance the relevant processes;
- Conduct pre-listing audits before IPO listing enables the company to make more accurate judgments based on the audited results. It can also shorten the time required for listing.

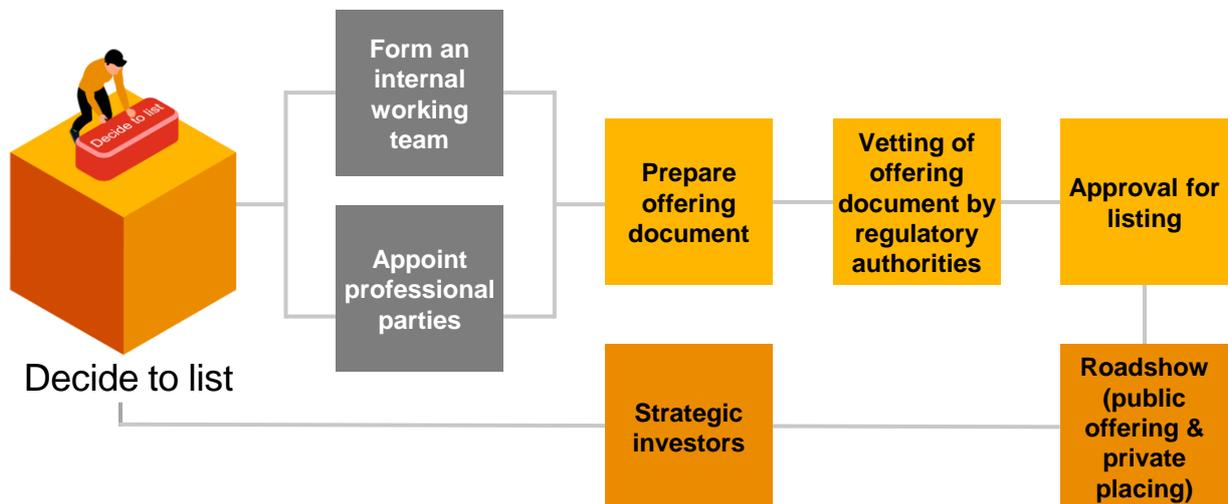


By now, you have begun the IPO process and have formed an IPO-dedicated internal working team to deal with the demands of listing. You have also appointed various professional parties for the IPO, including sponsors and underwriters, the reporting accountant, lawyers, and a valuer.

How PwC can help

- Introduce professional parties, manage IPO projects on your behalf and coordinate with all parties to ensure deadlines are met;
- Act as reporting accountant for the IPO and perform applicable procedures on historical and prospective financial information where applicable;
- Act as internal control and corporate governance consultant and provide recommendations;
- Provide accounting advisory services, such as converting the financial statements from local accounting principles into International or Hong Kong Financial Reporting Standards.

During the listing



With the assistance of your appointed professionals, you are now preparing the offering document to apply for the listing. The regulatory authorities will review the draft offering document and pose questions throughout the vetting process until the document is finally approved.

Only after your offering document is approved can you start your marketing roadshow to sell the shares and finally get listed.



Listing



The IPO process and challenges do not end after you have listed. From time to time, a listed company will be under strict public scrutiny to disclose up-to-date information to investors.

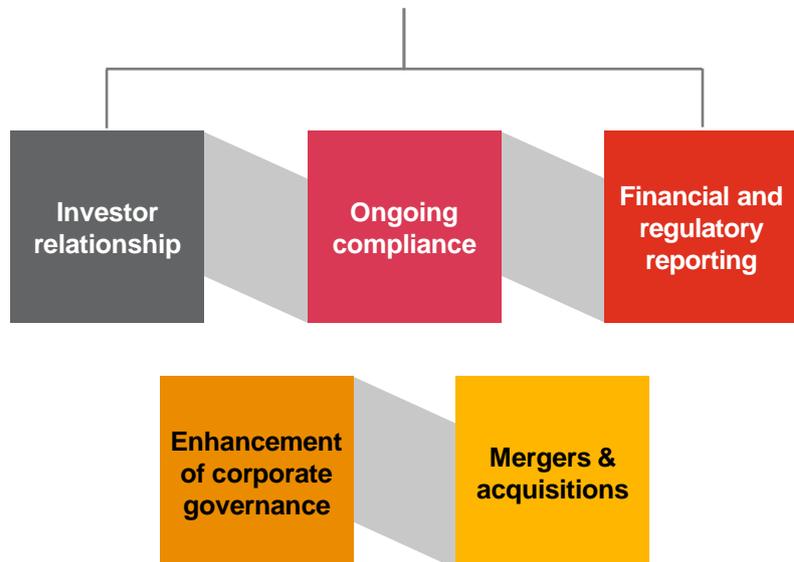
How PwC can help

- Act as your auditor and carry out periodic audit/ review and report to shareholders, directors and the audit committee;
- Assist your company in identifying and executing merger and acquisition opportunities;
- Provide and share information on the latest developments and changes in accounting standards, financial reporting, corporate governance, listing rules and other applicable regulatory matters;
- Provide updates on the latest developments and changes on accounting standards, financial reporting, corporate governance, listing rules and other applicable regulatory matters;
- Act as internal control and corporate governance consultant and carry out reviews to provide enhancement comments;
- Act as reporting accountant for on-going capital market transactions, such as issuance of new shares, bonds, major restructuring and other transactions.

Post listing



Listing



Regulatory authorities require at least an interim report and an annual report to be published and issued to shareholders within a given timeframe. You will need to have an experienced finance team and adequate financial reporting systems to cater ongoing reporting requirements.

Why PwC?

Leadership in professional services in Chinese mainland, Hong Kong and Taiwan

PwC is one of the largest professional service organisations in the world. Our professionals from around the globe offer world-class services and unparalleled insights to clients.

PwC entities in Chinese mainland, Hong Kong, Macau and Taiwan, coordinate on a collaborative basis, subject to local applicable laws. Collectively, we have over 28,000 professionals, including over 1,000 partners.

We possess extensive experience, specialist knowledge and skills required for structuring, merger and acquisition and regulatory issues. We are also the tax advisors to a large number of listed groups and multinational corporations.



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offices



Over
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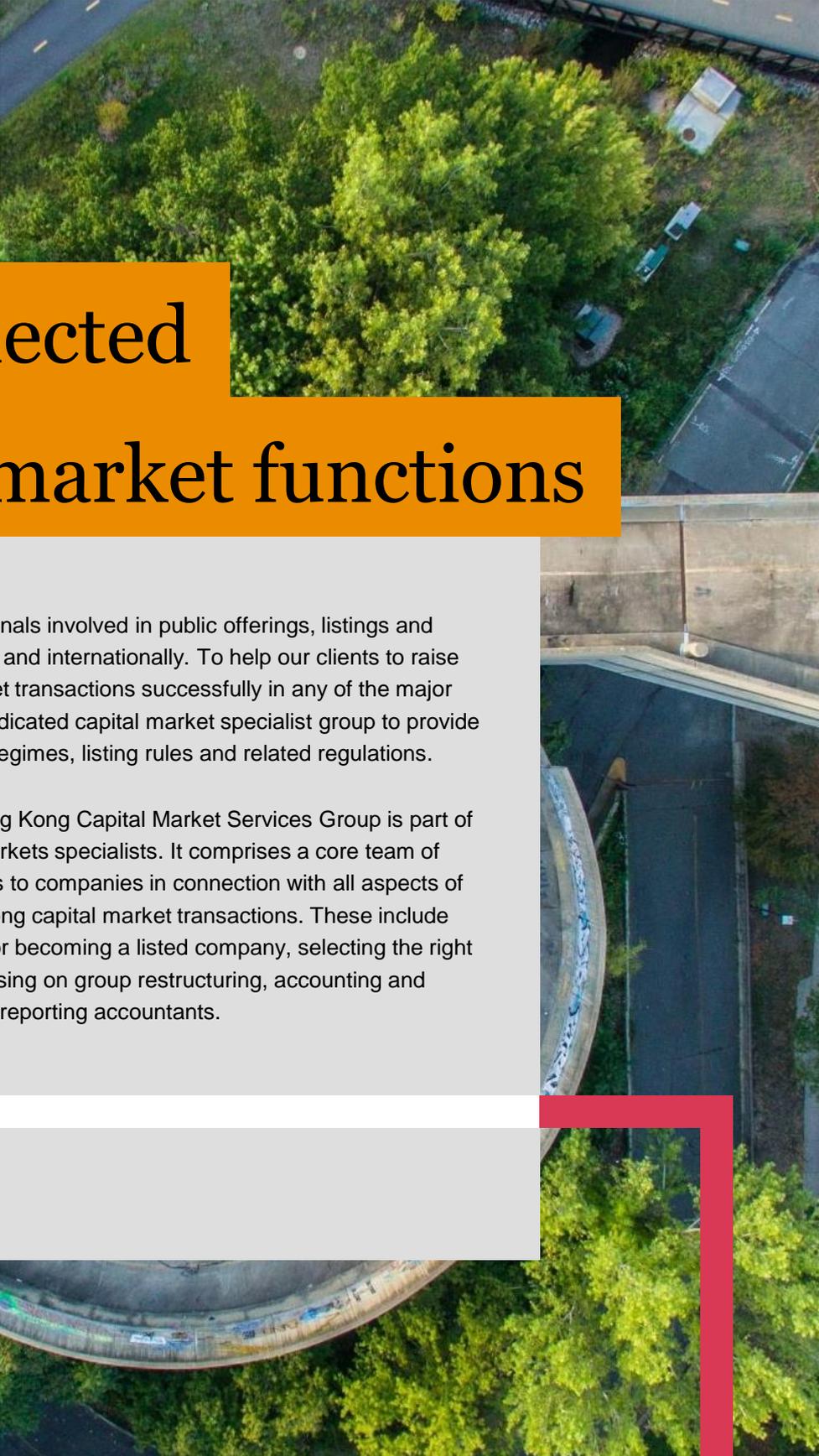
PwC continued to lead and excel while providing our clients with high-quality audit services. We continue to earn trust from regulators, clients and the industry, while maintaining the leading position in the market:

- In 2022, PwC ranked first in China's CPA industry for the 19th consecutive year ¹
- PwC was also named the "2022 Best Service Provider of the STAR Board" ²
- As at 2022 year end, PwC ranked no.1 in audit market share attaining a total of RMB 38.4 trillion total market capitalisation of our audit clients in A-share market, Hong Kong market and Chinese companies listed in the U.S.
- In 2022, PwC ranked first in terms of total funds raised on the A-share Main Board, as well as for the largest IPO in terms of funds raised on both the A-share Main Board and the STAR Board. PwC also secured the top spot in terms of the total number of IPOs on the Hong Kong market.

Remarks:

1. "Top 100 accounting firm in 2021" rankings released by the Chinese Institute of Certified Public Accountants (CICPA)
2. The award was issued by Caijing magazine and the STAR Market Data Centre





Well connected capital market functions

PwC has experienced professionals involved in public offerings, listings and private placements, both locally and internationally. To help our clients to raise funds or complete capital market transactions successfully in any of the major stock exchanges, we have a dedicated capital market specialist group to provide support on different regulatory regimes, listing rules and related regulations.

The Chinese mainland and Hong Kong Capital Market Services Group is part of the global network of capital markets specialists. It comprises a core team of specialists who provide services to companies in connection with all aspects of Chinese mainland and Hong Kong capital market transactions. These include advising our clients preparing for becoming a listed company, selecting the right market and advisory team, advising on group restructuring, accounting and regulatory issues and acting as reporting accountants.

Global IPO Centre



National Capital Markets
Groups / Specialists

Asia &
Australia
IPO Centre

Europe &
Africa
IPO Centre

Americas
IPO
Centre

PwC's Global IPO Centre has a unique global network of people, values and services, bringing world-class solutions to all of our clients with our collective knowledge and experience.

We have a team of over 500 professionals deployed in over 30 key global capital markets. With our in-depth knowledge of the execution process and the rules and regulations governing the world's leading capital markets, we can help clients choose the right markets for their businesses and navigate every phase of the complex IPO process.

Our IPO Centre makes it easier for you to understand what you need to know, and what you need to do, to complete an IPO. We can help you evaluate the pros and cons of an IPO, navigate the listing process and prepare your business for life as a public company, regardless of the market you choose to list on.

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