

Hong Kong Main Board

Highlights of listing requirements

Track record and market capitalisation requirements

- Trading record of not less than three financial years
 - Management continuity for at least the three preceding years and ownership continuity and control for at least the most recent audited financial year
 - Three tests:
 - i. Profit test
 - Profits of HK\$20 million for most recent year and of aggregate of HK\$30 million for the first two years
 - Market capitalisation of at least HK\$200 million at the time of listing
 - ii. Market capitalisation/revenue/cashflow test
 - Revenue of at least HK\$500 million for the most recent audited financial year
 - Positive cashflow from operating activities of at least HK\$100 million in aggregate for the three preceding financial years
 - Market capitalisation of at least HK\$2 billion at the time of listing
 - iii. Market capitalisation/revenue test
 - Revenue of at least HK\$500 million for the most recent audited financial year
 - Market capitalisation of at least HK\$4 billion at the time of listing
 - Track record of less than three years may be accepted if:
 - Directors and management have sufficient and satisfactory experience of at least three years in the line of the listing business and industry
 - Management continuity for the most recent audited financial year
 - Exemptions may be granted for mineral companies and newly formed project companies, such as major infrastructure projects, which can have shorter trading records
 - A focused line of business not specifically required, but its core business should meet the minimum financial requirement
 - Must have control over its business
- #### Minimum public float
- Market capitalisation of at least HK\$50 million held by the public at the time of listing
 - Minimum 25% of the issuers' total issued share capital at the time of listing

- The exchange may, at its discretion accept a percentage of public float between 15% and 25% if the market capitalisation of the issuer exceeds HK\$10 billion

Future prospects

- No specific requirement but the applicant is required to include a general statement of future plans and prospects
- Inclusion of profit forecast is optional

Accountants' report

- Must be prepared in accordance with either Hong Kong Financial Reporting Standards or International Financial Reporting Standards
- Generally accepted accounting principles in the United States of America (US GAAP) or other accounting standards may be acceptable by the Exchange under certain circumstances
- In general, accountants' report covers at least three complete financial years, immediately preceding the issue of the prospectus
- The latest financial period reported on by the reporting accountants must not have ended more than six months before the date of the listing document

Corporate governance

- Three independent non-executive directors required
- Qualified accountant required
- Audit committee required
- Required to appoint a compliance adviser for the period commencing on initial listing and ending on publication of financial results for the first full financial year after listing

Acceptable jurisdictions

- Hong Kong, Bermuda, the Cayman Islands and the People's Republic of China
- Other jurisdictions for secondary listing may be considered

Restrictions on initial shareholders

- A controlling shareholder at the time of listing must undertake:
 - Not to dispose of his interest in the issuer from the prospectus issue date to the first six months after listing
 - Not to dispose of his interest in the issuer in the next six months such that he would cease to be a controlling shareholder: at least 30% interest in the issuer

Other considerations

- Competing businesses of controlling shareholders or directors are allowed but full disclosure is required
- May not list by way of placing only
- New issue must be fully underwritten
- Listed issuer is not allowed to issue new securities in the first six months after listing