

China A-share

Highlights of listing requirements

Main board, SME Board and ChiNext

	Main board, SME board	ChiNext
Applicant	<ul style="list-style-type: none"> A joint stock limited company established under the PRC law with more than three years of continuing operation after establishment (except with exemption granted by the State Council). For a limited company converted to a joint stock limited company through certain restructurings, the track record can be counted from the date of establishment of the limited company The registered capital has been fully paid up The transfer of titles of assets contributed has been completed There is no major dispute on the title of key assets Shareholding structure is clear 	
Independence	<p>The issuer should have an integral business structure and the ability to operate in the market independently, including:</p> <ul style="list-style-type: none"> Intact assets Personnel independence Financial independence Organisational independence Business independence <p>The issuer should not have any competing business, or any related-party transaction with controlling shareholders, de facto controlling person and other entities under the issuer's control that severely impairs its independence or that is obviously unfair.</p>	
Profitability and cash flows	Profits for the last three years with an aggregate amount of more than RMB 30 million; and, cumulative cash flows from operating activities for the last three years exceeding RMB 50 million, or cumulative operating income for the last three years exceeding RMB 300 million.	Profits for the last two years, with an aggregate amount of not less than RMB 10 million; or, profit for the latest year, with operating income for the latest year of not less than RMB 50 million.
Scale	Minimum share capital of RMB 30 million before issuance, and minimum share capital of RMB 50 million after issuance.	Minimum net assets of RMB 20 million at the end of the latest year, and minimum share capital of RMB 30 million after issuance.
Asset quality	No cumulative loss. Intangible assets (excluding land use rights, marine cultivation rights and mining rights) not exceeding 20% of the net assets at the end of the latest year.	No cumulative loss.

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Business	<ul style="list-style-type: none"> Complying with the State's industrial policies Complying with the State's environmental protection policies No significant change in principal operations for the last three years Showing continue profitability 	<ul style="list-style-type: none"> Focus on one line of business Complying with the State's industrial policies Complying with the State's environmental protection policies No significant change in principal operations for the last two years Showing continued profitability
Continuity of de facto controlling person and senior management	No significant change in directors and senior management, and no change in de facto controlling person(s) in the last three years.	No significant change in directors and senior management, and no change in de facto controlling person(s) in the last two years.
Public shareholdings	Minimum 25% of share capital; minimum 10% of share capital if the total issued share capital exceeds RMB 400 million.	
Going concern and continue profitability	<p>The issuer should not have the following circumstances that might impair its continue profitability:</p> <ul style="list-style-type: none"> There have been or will be significant changes in the business model and the types and structures of goods or services, which will have significant adverse impacts on the issuer's profitability going forward There have been or will be significant changes in the business environment of the industry that the issuer operates in, which will have significant adverse impacts on the issuer's profitability going forward Operating income or net profit substantially relied on related parties or customers with material uncertainty in the latest financial year Net profit mainly derived from off-balance sheet investment income in the latest financial year There is the risk of significant adverse changes in the acquisition or use of major assets or technologies such as trademarks, patents, know-hows and franchises There is significant dependence of operating results on the favourable taxation treatment There is significant risk in repayment of debts. There are guarantees, litigation, arbitration or other significant contingent events exist that can influence the issuer's ability to operate on a going concern basis 	The issuer should analyse and fully disclose the significant adverse impacts on the profitability going forward in the prospectus, and fully remind the relevant risk

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Other requirements for corporate governance	<ul style="list-style-type: none"> • There has been no significant illegal activity for the last three years • Systems of general meetings, board of directors, board of supervisors, independent directors and secretary to the board of directors have been established under the law so that the relevant organisations and personnel can fulfil their fiduciary duties • The qualifications of the directors, supervisors and senior management are in conformity with the law, rules and regulations • The fundamental accounting work and the preparation of the financial statements comply with the "Accounting Standards for Business Enterprises" and the "Accounting Systems for Business Enterprises" of the PRC • Internal control systems are comprehensive and effectively implemented, and can give reasonable assurance on the reliability of financial reporting, validity of business operation and efficiency and effectiveness of operation; an unqualified auditor's report on internal control has been issued by a PRC qualified accountant • Approval process for providing guarantees to the companies are clearly laid down in the articles of associations. There is no violation of regulations in relation to providing guarantees to the controlling shareholders, de facto controlling person and other entities under the issuer's control • A rigorous treasury policy has been established. There shall not be any appropriation of funds through borrowings, repayment of debts, reimbursements or any other means by the controlling shareholders, de facto controlling person and other entities under the issuer's control 	<ul style="list-style-type: none"> • There has been no significant illegal activity for the last three years • Systems of general meetings, board of directors, board of supervisors, independent directors and secretary to the board of directors have been established under the law so that the relevant organisations and personnel can fulfil their fiduciary duties • The qualifications of the directors, supervisors and senior management are in conformity with the law, rules and regulations • The fundamental accounting work and the preparation of the financial statements comply with the "Accounting Standards for Business Enterprises" and the "Accounting Systems for Business Enterprises" of the PRC • Internal control systems are comprehensive and effectively implemented, and can give reasonable assurance on the reliability of financial reporting, validity of business operation and efficiency and effectiveness of operation; an unqualified auditor's report on internal control has been issued by a PRC qualified accountant

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Use of funds raised		<ul style="list-style-type: none"> • The funds shall be used on the principal business with clear objectives • The amount of funds raised and investment projects should be commensurate with the existing operating scale, financial position, level of technology and management capability of the issuer • Investment projects using the funds raised shall comply with the State's industrial policies and rules about management of investments, environmental protection, land management and other laws and regulations • Implementation of the projects using the funds raised shall not result in a competition in the same industry or have any adverse influence on the independence of the issuer

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Science and Technology Innovation Board (STIB)

Industry and business	<p>STIB issuers must meet the features and industry requirements:</p> <p>Innovative company with science and technology globally enhanced and major place in economic areas, satisfying major national demands and strategy, and accomplishing key technology breakthrough with high market recognition.</p> <p>Industries of the innovative company include: Internet, big data, cloud computing, and integrated artificial intelligence and manufacturing.</p> <p>STIB highlights the advanced and strategic new technology, including new generation information technology, advanced equipment, new materials and energy, energy conservation, environment protection, and biomedicine.</p>
Financial and market capitalisation requirements	<p>Fulfill at least one of the five financial and market capitalisation eligibility tests:</p> <ol style="list-style-type: none"> i. Market capitalisation + profit, or market capitalisation + profit + revenue <ul style="list-style-type: none"> • market capitalisation of at least RMB 1 billion at the time of listing, and profits (profits are the less of excluding or including non-recurring items) for the last two years, with an aggregate amount of not less than RMB 50 million; or • market capitalisation of at least RMB 1 billion at the time of listing, and profits (profits are the less of excluding or including non-recurring items) for the latest year with operating income for the latest year of not less than RMB 100 million. ii. Market capitalisation + revenue + Research and Development (R&D) expenditure <ul style="list-style-type: none"> • market capitalisation of at least RMB 1.5 billion at the time of listing, operating income for the latest year of not less than RMB 200 million, and the R&D expenditure (including expensed and capitalised expenditure) of the last three years with an aggregate of not less than 15% of the operating income for the last three years. iii. Market capitalisation + revenue + operating cash flow <ul style="list-style-type: none"> • market capitalisation of at least RMB 2 billion at the time of listing, operating income for the latest year of not less than RMB 300 million, and the net operating cash inflow of the last three years with an aggregate of not less than RMB 100 million. iv. Market capitalisation + revenue <ul style="list-style-type: none"> • market capitalisation of at least RMB 3 billion at the time of listing, and operating income for the latest year of not less than RMB 300 million. v. Market capitalisation + technology advantage <ul style="list-style-type: none"> • market capitalisation of at least RMB 4 billion at the time of listing, core business and product(s) have been approved by authorities with progressive outcome and considerable market size. For pharmaceutical companies, at least one core product has been approved for phase II clinical experiment. For other qualifying innovative companies, they must have a definite technology advantage and meet other requirements.

Applicant – incorporated in the PRC	<p>A joint stock limited company established under the PRC law with more than three years of continuing operation after establishment. For a limited company converted to a joint stock limited company through certain restructurings, the track record can be counted from the date of the establishment of the limited company. Total share capital after issuance is no less than RMB 30 million.</p>
Special requirements for red-chip company	<p>Red-chip companies are innovative companies that meet the requirements in “the Opinions on Launching the Pilot Program of Domestic Offering of Stocks or Depository Receipts by Innovative Enterprises” released by the State Council, satisfying the national strategy with core technology and high market recognition. Industries of the red chip issuers include internet, big data, cloud computing, artificial intelligence, software, integrated circuit, high-end equipment manufacturing and biomedicine with enhanced technology and considerable market size.</p> <p>Financial and market capitalisation requirements:</p> <ol style="list-style-type: none"> i. market capitalisation of at least RMB 200 billion for company already listed abroad; ii. for unlisted company: <ul style="list-style-type: none"> • market capitalisation of at least RMB 20 billion at the time of listing, and operating income for the latest year of not less than RMB 3 billion; or • to meet one of the below requirements for company with rapid revenue increase, self-developed and globally advanced technology, and comparative advantage in the industry competition: <ul style="list-style-type: none"> - market capitalisation of at least RMB 10 billion at the time of listing; or - market capitalisation of at least RMB 5 billion at the time of listing and operating income for the latest year of not less than RMB 500 million. <p>There are special regulations to financial information preparation of red-chip company.</p>
Minimum public float	<p>Minimum 25% of the issuer’s total issued share capital at the time of listing; minimum 10% if the total issued share capital exceeds RMB 400 million.</p>
Continuity of main business, controlling shareholder, key management and R&D personnel	<p>Share capital of the controlling shareholder and other shareholder(s) controlled by the controlling shareholder or de facto controlling shareholder must be fully paid with clear structure. There is no change in controlling shareholder for the last two years. There is no significant dispute that could result in change of the controlling shareholder.</p> <p>There is no negative significant change in main business, directors, key management and R&D personnel for the last two years.</p>
Corporate governance	<p>Fundamental accounting system is regulatory; preparation and disclosure of the financial statements should comply with China Accounting Standards and other disclosure requirements, presenting fairly, in all material respects, the financial position of the issuer and the results of its operations and cash flows, and with unqualified opinion issued by PRC qualified accountant.</p> <p>Internal control systems of the issuer are comprehensive and effectively implemented, and give reasonable assurance on the reliability of the efficiency and compliance of the issuer’s business operation and validity of its financial reporting, with unqualified opinion on internal control issued by PRC qualified accountant.</p>

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Science and Technology Innovation Board (STIB) (con't)

Independence	<p>The issuer should have integral business structure and the ability to operate in the market independently, including intact assets, business independence, personnel independence, financial independence, and organisational independence.</p> <p>The issuer should not have business competing with controlling shareholder, de facto controlling shareholder and other entities controlled by the above shareholders which have significant negative impact, or related-party transactions that severely impair the issuer's independence or is obviously unfair.</p>
Compliance	<p>Business operation complies with certain laws, regulations and industrial policies.</p> <p>There is no specific criminal penalty by the issuer, its controlling shareholder or de facto controlling shareholder. There is no significant law breaching conducts including fraud in issuance, significant misconduct in information disclosure or other areas related to national security, public security, eco security, production safety, public health, etc. for the last three years.</p> <p>There is no circumstances that the director, supervisor or key management are punished by China Security Regulatory Commission (CSRC), or investigated by judicial authority for suspected criminal or by CSRC for suspected misconduct without conclusive verdict for the last three years.</p>
Special requirements for issuers with weighted voting rights (WVR) structure	<p>Financial and market capitalisation requirements</p> <ul style="list-style-type: none">• market capitalisation of at least RMB 10 billion at the time of listing; or• market capitalisation of at least RMB 5 billion at the time of listing with operating income of the latest year is no less than RMB 500 million.
Spin-off listing	<p>Spin-off listing is allowed in STIB for listed companies with certain scale. Qualifying subsidiary with independent business of such listed company can be spun off and listed in STIB in accordance with certain laws and regulations by CSRC and Stock Exchange.</p>

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