

New Listing Regime for Specialist Tech Companies in Hong Kong

QUALIFICATIONS FOR LISTING: COMPARISON OF CHAPTER 8 AND CHAPTER 18C					
Note: All figures in Hong Kong dollars	CHAPTER 8			CHAPTER 18C	
	8.05(1)	8.05(2)	8.05(3)	Commercial Companies	Pre-Commercial Companies
Profit	<p>≥\$45M in aggregate for the two preceding years</p> <p>≥\$35M for the most recent year</p>	N/A	N/A	N/A	N/A
Market Capital at Listing	N/A	≥\$2B	≥ \$4B	≥ \$8B	≥ \$15B
Revenue	N/A	≥\$500M for the most recent audited financial year		≥ \$250M for the most recent audited financial year	Must demonstrate credible path to achieving commercialization to meet the revenue requirement for Commercial Companies

Morgan Lewis

Positive Cash Flow from Operating Activities	N/A	N/A	≥ \$100M in aggregate for the three preceding financial years	N/A	
R&D Investments for Each of the Three Preceding Years	N/A			≥ 15% of total operating expenses	≥ 50% of total operating expenses
Third-Party Investments	N/A			<p>Received meaningful investment from Sophisticated Independent Investors (SIIs), being:</p> <ul style="list-style-type: none"> • A non-core-connected person of the listing applicant • SIIs who meet any of the indicative size thresholds or qualification requirements <p>Examples of SIIs provided by HKEx:</p> <ul style="list-style-type: none"> • An asset management firm with a fund size of ≥ \$15B • A company having a diverse investment portfolio size of ≥ \$15B • An investor of any of the types above with a fund size or investment portfolio size of ≥ \$5B where the value is derived primarily from STC investments • A key participant in the relevant upstream or downstream industry with substantial market share and size 	

		<p>Meaningful investment:</p> <ul style="list-style-type: none"> • From at least two SIIs and at least 12 months prior to the date of the listing application, with each SII holding shares or securities convertible into 5% or more of the issued share capital of the applicant as at the date of listing application and throughout the 12-month period before the application (this type of SII is also referred to as a Pathfinder SII) • At least the following aggregate investment from all SIIs as at the time of listing of the following: 			
		Expected market capitalization	Minimum total investment (as % of issued share capital)	Expected market capitalization	Minimum total investment (as % of issued share capital)
		≥\$8B to <\$20B	20%	≥\$25B to <\$20B	25%
		≥\$20B to <\$40B	15%	≥\$20B to <\$40B	20%
		≥\$40B	10%	≥\$40B	15%