

Comparison of GEM and second board of Singapore on listing, transfer and spin-off requirements

June 2014

	Requirement	HKEx (GEM Board)	Singapore Stock Exchange (Catalist)
1	Financial Eligibility Requirements		
A	Summary Comparison	Market capitalization of at least HK\$100m Cash flow of at least HK\$20m (see 1F)	No quantitative thresholds
B	Profit Test	No requirement	No Requirement
C	Aggregate market capitalization of new applicant	At least HK\$100m	No Requirement
D	Market capitalization of each class of securities listed	No Requirement	No Requirement
E	Revenue	No Requirement	No Requirement
F	Aggregate cash flow	Cash flow of at least HK\$20m generated from operating activities in the ordinary and usual course of business before changes in working capital and taxes paid for the two financial years immediately preceding the issue of the listing document	No Requirement
G	Assets	No Requirement	No Requirement
2	Operating, ownership and management requirements		
A	Minimum operating history	At least two financial years	No Requirement
B	Ownership continuity requirement	The applicant must have 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	No Requirement
C	Management continuity requirement	The applicant must have been under substantially the same management throughout the two full financial years immediately preceding the issue of the listing document and up until the date of listing	No Requirement
3	Distribution of shareholders		
A	Minimum number of shareholders	At least 100 shareholders	At least 200 shareholders
B	Minimum shares in public hands	The market capitalization of equity securities in public hands must be at least HK\$30m and an adequate spread of holders (at least 100 persons as a guideline) 25% of total issued share capital of the applicant	On admission at least 15% of post-invitation share capital must be in public hands The number of public shareholders must be at least 200
4	Transfer between Second Board and Main Board		
A	Choice of markets	No Requirement	No specific requirement identified
5	Spin-off		
	<i>Conditions for Parent Company/Remaining Group</i>		
A	Requirement to meet mainboard listing requirements	No Requirement	If the new entities are to be listed on the MB, the remaining businesses of the listed entities after the spin-off should be viable

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			and profitable and comply with the MB admission criteria
B	Requirement to compulsorily transfer to main board before spin-off	No Requirement	No Requirement
<i>Conditions for Entity to be Spun-off</i>			
A	Choice of market	No restriction	No restriction

JUNE 2014

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