

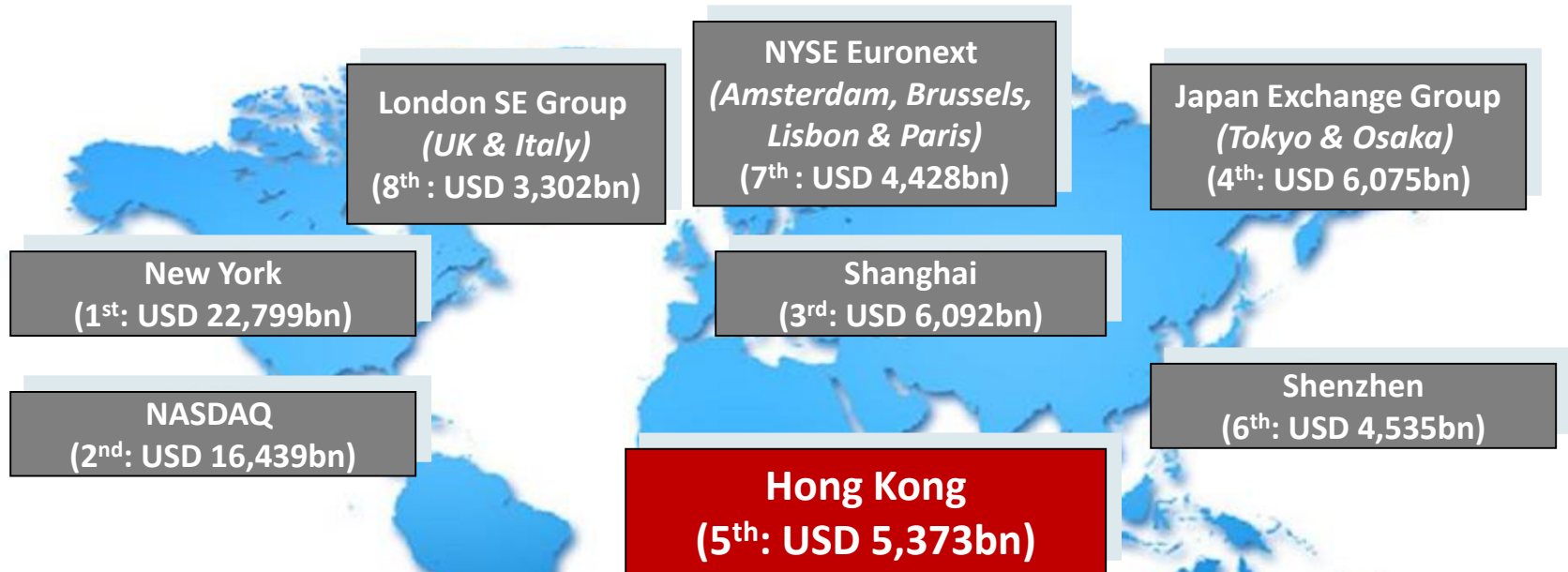
Initial Public Offering (IPO)

Listing on the Stock Exchange of Hong Kong Limited



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Hong Kong: A Leading International Stock Market



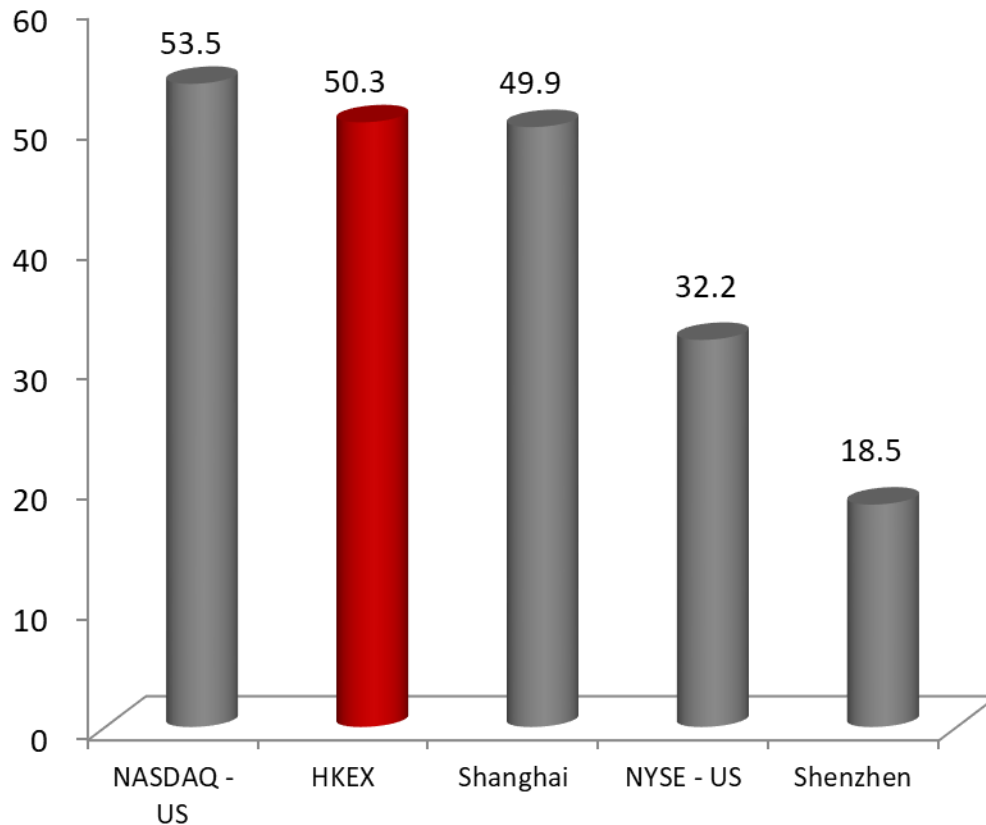
By market capitalisation, Hong Kong is the world's 5th largest and Asia's 3rd largest exchange (after Shanghai and Japan) as at the end of September 2020.

Source: SFC based on data from the World Federation of Exchanges and Bloomberg. Figures for Hong Kong includes the GEM board; figures for the London SE Group include those of London Stock Exchange and Borsa Italiana; figures for the NYSE Euronext include those of Euronext Amsterdam, Euronext Brussels, Euronext Lisbon and Euronext Paris; and figures for the Japan Exchange Group includes those of Tokyo Stock Exchange and Osaka Securities Exchange.

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HKEx: Top IPO Funds Raising Platform

IPO funds raised 2020 (US\$ billion)



- ▶ The Stock Exchange of Hong Kong (SEHK or the HKEx or the Exchange) was the **second largest IPO market in 2020** in terms of funds raised.
- ▶ A total of US\$50.3 billion IPO funds was raised in Hong Kong in 2020.
- ▶ There were 154 new listings in 2020:
 - Main Board – 146
 - GEM – 8

Ten Largest Hong Kong IPOs in 2020

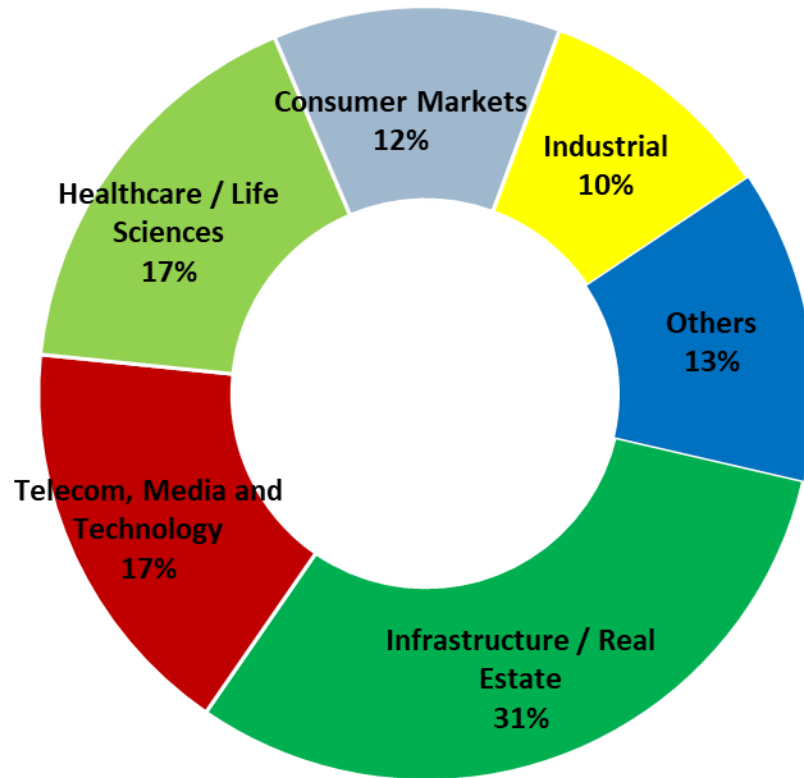
	Company name	Industry	IPO funds raised (HK\$bn)
1	JD.com	TMT	34.6
2	JD Health International Inc.	Healthcare / Life Sciences	31.0
3	NetEase, Inc.	TMT	24.3
4	Yum China Holdings Inc.	Consumer Markets	17.3
5	China Bohai Bank Co., Ltd.	Financial Services	15.9
6	GDS Holdings Limited	TMT	14.9
7	Evergrande Property Services Group Limited	Industrial	14.3
8	Hangzhou Tigermed Consulting Co., Ltd.	Healthcare / Life Sciences	12.3
9	China Resources Mixc Lifestyle Services Limited	Consumer Markets	12.3
10	New Oriental Education & Technology Group Inc.	Education	11.6

Ten Largest IPOs on the HKEx

	Company name	Industry	IPO funds raised (HK\$bn)
1	AIA Group Ltd.	Financials – Insurance	159.08
2	Industrial and Commercial Bank of China Ltd. – H Shares	Financials – Banks	124.95
3	Alibaba Group Holding Ltd. - SW	Information Technology - Software & Services	101.20
4	Agricultural Bank of China Ltd. – H Shares	Financials – Banks	93.52
5	Bank of China Ltd. – H Shares	Financials – Banks	86.74
6	China Construction Bank Corporation – H Shares	Financials – Banks	71.58
7	Postal Savings Bank of China Co Ltd – H Shares	Financials – Banks	59.15
8	China Tower Corporation Ltd – H Shares	Telecommunications – Satellite & Wireless Communication	58.80
9	Budweiser Brewing Co. APAC Ltd.	Consumer Staples - Food & Beverages	45.08
10	China Unicom (Hong Kong) Ltd.	Telecommunications – Telecommunication Services	43.61

HKEx Attracts a Diverse Portfolio of Issuers

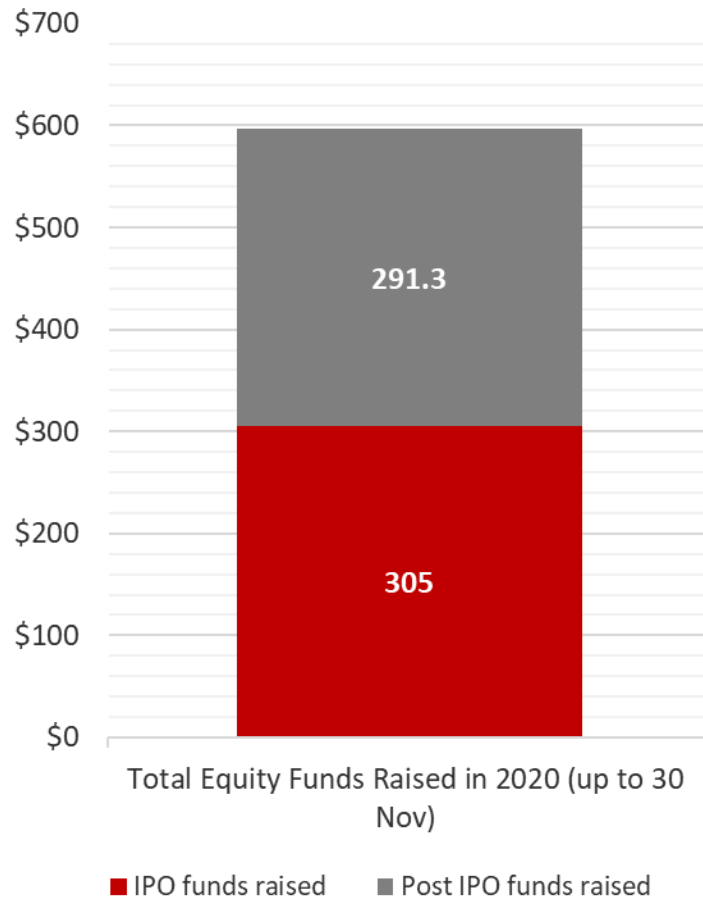
Number of Main Board IPOs by Sector (2020)



- ▶ Issuers from the **Infrastructure / Real Estate** sector dominate the new listing markets in 2020.
- ▶ Over one-quarter of the new Main Board issuers were from the Infrastructure / Real Estate sector.

HKEx: A Strong Equity Fund Raising Platform

Total Equity Funds Raised in 2020 (up to 30 Nov) (HK\$ bn)



▶ A strong equity fund raising platform:

- A total of HK\$596.3 billion in equity funds was raised in 2020 as at 30 November 2020.

▶ Remains a top IPO fundraising platform:

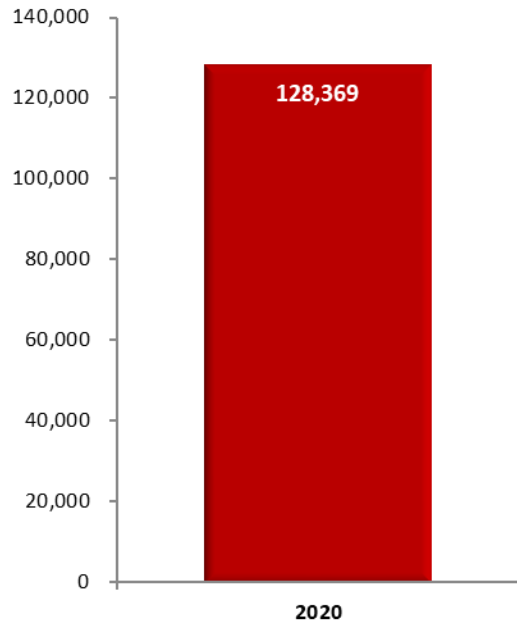
- A total amount of HK\$305 billion was raised in 2020 as at 30 November 2020.

▶ A strong secondary capital raising market:

- A total of HK\$291.3 billion was raised from post-IPO fundraising activities in 2020 as at 30 November 2020.

HKEx: A Highly Active Stock Exchange

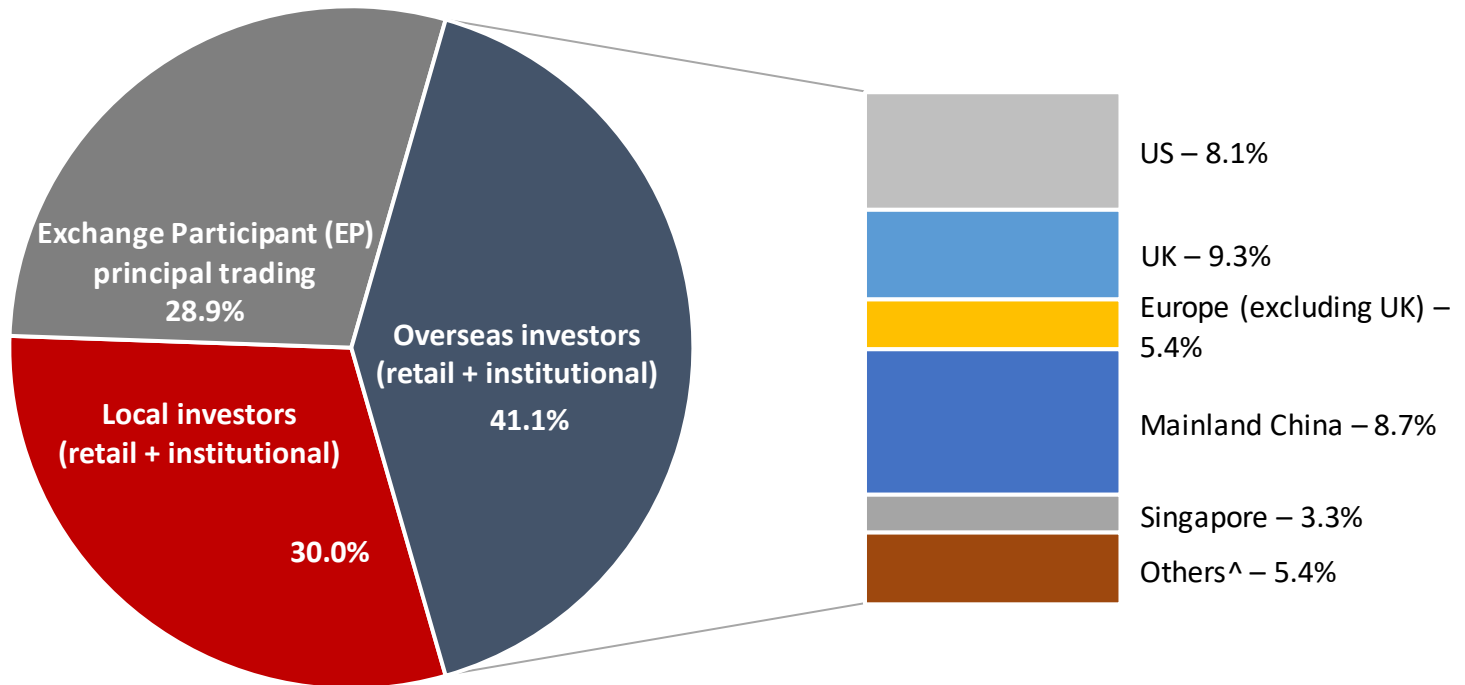
Average Daily Equity Turnover (HK\$ m)



- ▶ **High-level market liquidity:**
 - HKEx is a highly active stock exchange with a total equity turnover of HK\$29,011.5 billion in 2020 as at 30 November 2020.
 - The average daily equity turnover was HK\$128,369 million.
 - Deep liquidity is partly driven by a diverse investor base.

HKEx: Diverse Investor Base

Distribution of Cash Market Trading Value by Origin (2016)



^ others includes investors from Australia, Japan, Taiwan and the rest of the world

HKEx: Primary Financing Platform for Mainland Enterprises

	Unit	Total	Mainland Enterprise [^]	% of Total
<u>As at 30 November 2020</u>				
No. of listed companies	No.	2,528	1,308	51.7%
Market capitalisation	HK\$bn	45,739.8	36,589.3	80.0%
<u>As at 30 November 2020</u>				
Total equity funds raised	HK\$bn	596.3	510.1	79.0%
- IPO funds raised	HK\$bn	305.0	300.6	98.6 %
- Post IPO funds raised	HK\$bn	291.3	209.5	71.9%

- ▶ Given its diverse investor base, HKEx has been the primary financing platform for Chinese enterprises that seek to go international.
- ▶ Chinese companies account for over 50% of Hong Kong's listed market in terms of number of listed companies and over 80% in terms of market capitalisation.

[^] refers to H-share companies, red chip companies and Mainland private enterprises

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Hong Kong: a Bridge between China and the World

Advantages to List International Companies in Hong Kong

▶ **Access to Mainland Chinese investors**, currently through:

1. Qualified Domestic Institutional Investor (QDII) scheme: allowing Chinese institutional investors to invest in offshore capital markets
2. China-Hong Kong Stock Connect: Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect were launched in November 2014 and October 2016 respectively, allowing Mainland Chinese investors to invest directly in Hong Kong listed stocks. The stock connect schemes facilitate the broadening of Hong Kong's investor base and add liquidity to the Hong Kong market adding momentum to the market

▶ **Raise company's reputation and brand awareness** in China and other Asian markets

- ▶ **Strong and sound legal and regulatory framework**: Hong Kong's legal system is based on English common law, providing a solid foundation for companies to raise funds and confidence to investors.
- ▶ **World's freest economy**: adopting a free market policy with no capital flow restrictions, Hong Kong ranked first from 1995 to 2019 in relation to the Index of Economic Freedom.

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Selected International Listings in Hong Kong



Sisram Medical
USD 112 m



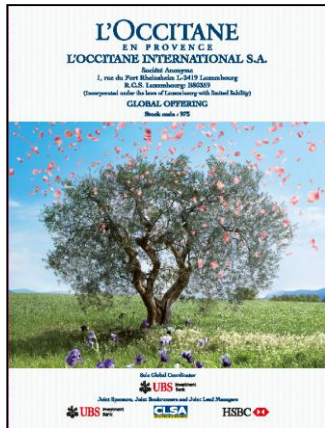
Samsonite
USD 1.25 bn



Kazakhmys
introduction



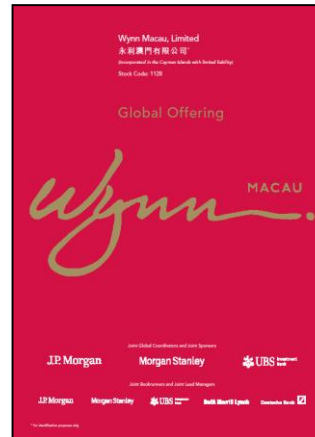
Prada
USD 2.1 bn



L'OCCITANE
USD 783m



South Gobi
USD 439m



Wynn
USD 1.9 bn



Rusal
USD 2.2 bn

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HK IPO Market – 2020

- ▶ Despite the COVID-19 pandemic impacting global IPO markets, Hong Kong's IPO market performed well in 2020, with the Hong Kong Stock Exchange taking second place in terms of IPO funds raised (US\$50.3 billion – an increase of 24.5% compared to 2019). This is largely attributable to a number of secondary listings by overseas-listed Chinese companies, such as JD.com, NetEase and Yum China.
- ▶ There is an increasing number of US-listed Chinese-based companies returning for secondary listings in Hong Kong. During 2020, nine US-listed Chinese-based companies have completed secondary listings, raising a total of HKD 131.3 billion, representing approximately 34 percent of funds raised.
- ▶ In terms of sectors, infrastructure and real estate continue to dominate the market, accounting for 31% of all IPOs, followed by TMT and healthcare/life sciences (both accounting for 17% of all IPOs and ranking co-first in terms of funds raised).
- ▶ Notable IPOs in 2020 included the HK\$ 34.6 billion IPO of JD.com, a Chinese supply chain-based technology and service provider, the HK\$ 31.0 billion IPO of JD Health International Inc., one of the largest online healthcare platform in China, the HK\$24.3 billion IPO of NetEase, Inc., a Chinese mobile game and e-commerce company, and the HK\$17.3 billion IPO of Yum China Holdings, Inc, one of the largest restaurant company in China.

HK IPO Market – Outlook

- ▶ Market sentiment for 2021 is likely to be driven a number of uncertainties including COVID-19 and Sino-US relations, however Hong Kong is expected to retain its position as one of the top exchanges globally in terms of IPO proceeds.
- ▶ This is in view of the increasing numbers of overseas-listed Chinese companies looking to Hong Kong for secondary listings, a trend which is most notable among US-listed Chinese tech companies owing to geopolitical tensions and post-IPO performances.
- ▶ The healthcare/life sciences industry is expected to remain one of the major contributors to the Hong Kong IPO market with the pandemic having created the need for robust healthcare services and capital investments.
- ▶ Hong Kong also has the potential to be bolstered by a number of factors including:
 - the expected increase in Chinese “take-private” deals and possible subsequent relisting in Hong Kong or Shanghai
 - HKEx’s Consultation Paper on Corporate WVR Beneficiaries, which would allow corporates to benefit from WVR
 - the launch of the wealth management connect scheme in the Greater Bay Area

Hong Kong's Markets

- ▶ **Main Board** – caters for established companies able to meet its profit or other financial requirements.
- ▶ **GEM** – a second standalone market for small and mid-sized companies, and has lower admission criteria than Main Board listings.
- ▶ The post-listing obligations of GEM and Main Board companies are broadly similar. Key difference – quarterly reporting is mandatory for GEM companies but only recommended for Main Board companies

Accepted Jurisdictions

- ▶ The Main Board and GEM Listing Rules allow the listing of companies incorporated in Hong Kong, China, Bermuda and the Cayman Islands
- ▶ The Exchange has accepted 28 jurisdictions as acceptable jurisdictions of incorporation –
 - Austria, Australia, Brazil, the British Virgin Islands, Canada (Alberta, British Columbia and Ontario), Cyprus, England & Wales, France, Germany, Guernsey, India, Ireland, Israel, the Isle of Man, Italy, Japan, Jersey, Republic of Korea, Labuan, Luxembourg, Netherlands, Russia, Singapore, the United States (State of California, State of Delaware and State of Nevada).

Principal Listing Requirements

	Main Board	GEM
Operating History and Management	<p>A Main Board applicant must have a trading record of not less than 3 financial years with:</p> <ul style="list-style-type: none"> i. management continuity for at least the 3 preceding financial years; and ii. ownership continuity and control for at least the most recent audited financial year. <p>Exception:</p> <p>Under the market capitalization/revenue test, the Exchange may accept a shorter trading record period under substantially the same management if the new applicant can demonstrate that:</p> <ul style="list-style-type: none"> a. its directors and management have sufficient and satisfactory experience of at least 3 years in the line of business and industry of the new applicant; and b. management continuity for the most recent audited financial year. 	<p>A GEM applicant must have a trading record of at least 2 full financial years with:</p> <ul style="list-style-type: none"> a. substantially the same management for the 2 preceding financial years; and b. continuity of ownership and control for the preceding full financial year.

Principal Listing Requirements (Cont'd)

	Main Board			GEM
Financial Tests	Applicants must meet one of 3 financial tests below:			A GEM applicant must have :
		1. Profit Test	2. Market Cap/ Revenue Test	3. Market Cap/ Revenue / Cash flow Test
	Profit	Profit in respect of the most recent financial year of not less than HK\$20,000,000 and, in respect of the two preceding years, be in aggregate of not less than HK\$30,000,000		
Market Cap	At least HK\$500 million (US\$64 million) at the time of listing	At least HK\$4 billion (US\$515 million) at the time of listing	HK\$2 billion (US\$257 million) at the time of listing	

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Principal Listing Requirements (Cont'd)

	Main Board			GEM
Financial Tests	Applicants must meet one of 3 financial tests below:			
		1. Profit Test	2. Market Cap/ Revenue Test	3. Market Cap/ Revenue / Cash flow Test
	Revenue	–	At least HK\$500 million (US\$64 million) for the most recent audited financial year	At least HK\$500 million (US\$64 million) for the most recent audited financial year
Cash flow	–	–	Positive cash flow from operating activities of at least HK\$100 million (US\$13 million) in aggregate for the 3 preceding financial years	<p>A GEM applicant must have :</p> <p>a. positive cash flow from operating activities of at least HK\$30 million (US\$3.8 million) in aggregate for the 2 preceding financial years; and</p> <p>b. market cap of at least HK\$150 million (US\$19 million) at the time of listing.</p>

Principal Listing Requirements (Cont'd)

	Main Board	GEM
Public Float	<ul style="list-style-type: none"> ▶ At least 25% of the issuer's total issued share capital must be held by the public at all times. ▶ The market capitalisation at the time of listing of the publicly held shares must be at least HK\$125 million (US\$16 million) (for Main Board issuers) and HK\$45 million (US\$5.8 million) (for GEM issuers). ▶ The Exchange has a discretion to accept a lower percentage of between 15% and 25% for issuers with an expected market capitalisation at the time of listing of over HK\$10 billion (US\$1.3 billion). 	
Spread of Shareholders	▶ There must be a minimum of 300 public shareholders at the time of listing	▶ There must be at least 100 public shareholders (which can include employee shareholders) at the time of listing.
	▶ At the time of listing, not more than 50% of the publicly held securities can be beneficially owned by the 3 largest public shareholders	

Other Listing Requirements

- ▶ **Accountants' Report:** A listing document must include an accountants' report on the financial information for the track record period. The latest period reported on must end no more than 6 months before the date of the listing document.
- ▶ **Independent non-Executive Directors:** INEDs must make up at least 1/3 of the Board. The minimum number of INEDs is three, and one must have appropriate professional qualifications or accounting or related financial management expertise.
- ▶ **Authorised Representatives:** Issuers must appoint two authorised representatives – either 2 directors or a director and the company secretary.
- ▶ **Share Registrar:** Issuers must employ an approved share registrar in Hong Kong to maintain register of members.
- ▶ **Audit Committee:** Issuers must establish an audit committee made up of non-executive directors only. It must have a minimum of three members, at least one of whom must be an INED with appropriate professional qualifications or accounting or related financial management expertise. The majority of members must be INEDs, and it must be chaired by an INED.
- ▶ **Remuneration Committee:** Issuers must establish a remuneration committee chaired by an INED and comprising a majority of INEDs.
- ▶ **Process Agent for Overseas Issuer:** An overseas company must appoint a person authorised to accept service of process and notices on its behalf in Hong Kong.
- ▶ **Compliance Adviser:** Newly listed companies must appoint a compliance adviser for the period starting on the listing date and ending on the date of publication of results for the first full financial year commencing after listing (for MB issuers) and on the date of publication of results for the second full financial year commencing after listing (for GEM issuers).
- ▶ **Compliance Officer (for GEM issuers only):** GEM issuers must appoint one of their executive directors as a compliance officer.

The Regulatory Regime for IPO Sponsors

- ▶ A company seeking listing on the Exchange must appoint one or more sponsors to assist with its listing application.
 - Only corporate finance advisers licensed by the SFC to conduct sponsor work are permitted to act as sponsors.
 - At least one sponsor must be independent of the company.
- ▶ The sponsor acts as the primary channel of communication between the listing applicant and the Exchange, and is responsible for ensuring that the sponsor's obligations under the Listing Rules are discharged.

The Regulatory Regime for IPO Sponsors

- ▶ A sponsor's main responsibilities to a new applicant are:
 - to be closely involved in the preparation of the applicant's listing documents
 - to conduct reasonable due diligence inquiries to put itself in a position to give the Sponsor's Declaration
 - to submit the listing application and all supporting documents on behalf of the applicant
 - to ensure that there is no unauthorised publication or leakage of publicity material or price sensitive information about a new applicant prior to the the Listing Committee meeting (in the case of Main Board applicants) or Listing Division hearing (in the case of GEM applicants)
 - to use reasonable endeavours to address all matters raised by the Exchange in connection with the listing application
 - to accompany the applicant to meetings with the Exchange unless otherwise requested by the Exchange
 - to comply with the terms of the undertaking and statement of independence given to the Exchange pursuant to the Listing Rules

The Regulatory Regime for IPO Sponsors (cont'd)

- ▶ The responsibilities and obligations of sponsors in relation to a new listing application (including as to due diligence) are set out in paragraph 17 of the SFC's Code of Conduct for Persons Licensed by or Registered with the SFC ("**Code of Conduct**").
- ▶ Paragraph 17 of the Code of Conduct sets out the outcomes expected by the SFC, but does not address how such outcomes are to be achieved.
- ▶ In order to help sponsors and other IPO participants better understand the revised standards contained in the Code of Conduct, Charltons acted as the co-ordinating law firm in relation to the publication of the Hong Kong Sponsors Due Diligence Guidelines ("**Due Diligence Guidelines**") produced jointly by leading Hong Kong law firms, two of the Big Four accounting firms and more than 40 banks or financial advisory businesses.
- ▶ In addition to drafting the Due Diligence Guidelines, Charltons is responsible for managing and leading the publication of the Due Diligence Guidelines.
- ▶ The Due Diligence Guidelines can be downloaded for free at www.duediligenceguidelines.com, a web site created and managed by Charltons.



The Regulatory Regime for IPO Sponsors (cont'd)

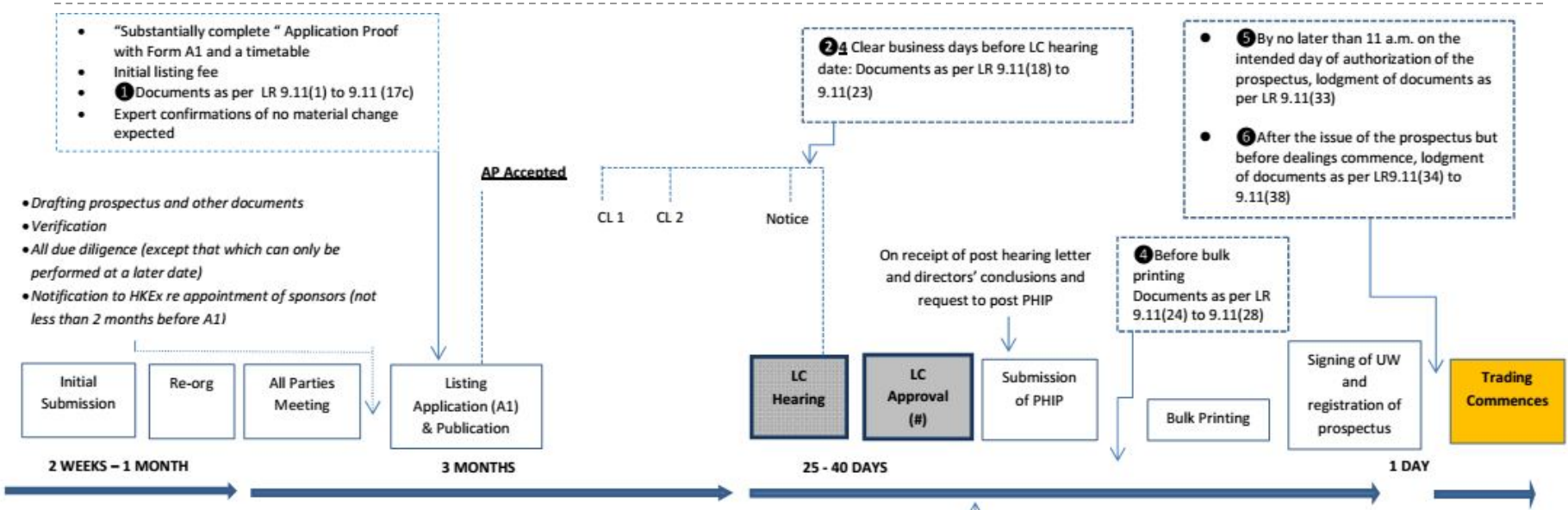
- ▶ The Due Diligence Guidelines include chapters on:
 - Knowing the Listing Applicant and its Management
 - Verification Practice
 - Business Model
 - Interviews of Major Business Stakeholders
 - Controlling Shareholders' Relationship with the Listing Applicant
 - Connected Persons and Connected Transactions
 - Financial
 - Internal Controls
 - Distributors, Franchisees and Consignees
 - Material Contracts
 - Environmental
 - Mineral Companies
 - Biological Assets



Documents Required to be Submitted in Support of a GEM Listing Application

<p>① Together with Listing Application Form (Form A1) – Documents as per Listing Rules (“LR”) 12.22(1) to 12.23(6)</p>	<p>② As soon as practicable after the hearing of the application by the GEM Listing Committee, but on or before the date of issue of the listing document – Documents as per LR 12.24(1) to 12.24(9)</p>	<p>③ Before bulk printing of the listing document – Documents as per LR 12.23A(1) to 12.23A(2)</p>	<p>④ By 11 a.m. on the intended day of authorisation of the prospectus – Documents as per LR 12.25 (in case of a listing document which constitutes a prospectus under the CWUMPO)</p>	<p>⑤ As soon as practicable after the issue of the listing document but before dealings commence – Documents as per LR 12.26(1a) to 12.26(9)</p>
<ul style="list-style-type: none"> • Application Proof (“AP”) as required by HKEx and 2 CD-ROMs • legal advisers’ confirmation that the applicant’s articles are not inconsistent with the LR • if AP contains an accountants’ report, an advanced draft of any statement of adjustments relating to the accountants’ report • final proof of the formal notice, if available • final proof of any application form to subscribe or purchase the securities to be listed • advanced draft of sponsor’s letter re working capital • a final or an advanced draft of the board’s profit forecast memorandum • advanced draft of requests for waiver from LRs and Companies (Winding Up and Miscellaneous Provisions) Ordinance (“CWUMPO”) • directors’/supervisors’ confirmations relating to: <ul style="list-style-type: none"> - accuracy of information contained in AP - accuracy of directors’/supervisors’ biographical details - updating the HKEx re any changes in directors’/supervisors’ biographical details - declaration in Form A/B/C of Appendix 6 • certified copy of certificate of incorporation • any other document required by the HKEx to support the listing 	<ul style="list-style-type: none"> • original signed sponsor declaration(s) required by LR 6A.13 • dated and signed copy of each of the English and the Chinese language versions of the listing document • copy of the formal notice, where applicable • a copy of the written notification issued by HKSCC stating the securities will be Eligible Securities • every written undertaking and confirmation from the new applicant, its shareholders and/or other relevant parties to the HKEx referred to in the listing document 	<ul style="list-style-type: none"> • final letter from the sponsor confirming the directors’ statement re sufficiency of working capital • final copy of all draft documents submitted to support the listing application 	<ul style="list-style-type: none"> • application for authorisation for registration of the prospectus under section 38D(3) or section 342C(3) of the CWUMPO • 2 printed copies of the prospectus, duly signed in accordance with section 38D(3) or section 342C(3) of the CWUMPO • certificate issued by translator 	<ul style="list-style-type: none"> • certified copies of the resolution(s) of the new applicant in general meeting (if any) authorising the issue of all securities, and resolution(s) of the board of directors delegating powers • completed company information sheet in Appendix 5F, submitted in electronic format and in a hard copy signed by each director • copy of the placing letter (where applicable) • lists of all places and their information • sponsor’s declaration (Appendix 7I) • directors’ declarations (Appendices 5E and 6A/B/C as applicable)

IPO timeline



(#)	Rejections can be appealed through a separate mechanism
A1	Form A1 in Appendix 5 to the Main Board Listing Rules) with a timetable
AP	Application Proof
CL1	Comment letter 1 – within 10 days of receipt of AP
CL2	Comment letter 2 (if any) – WITHIN 10 days of replies to CL1
LC	Listing Committee
LR	Listing Rules of the Main Board of the HKEx
Notice	Notice to hearing
PHIP	Post Hearing Information Pack
UW	Underwriting Agreement

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- ▶ Charltons' extensive experience in corporate finance makes us uniquely qualified to provide a first class legal service
- ▶ Charltons have representative offices in Shanghai, Beijing and Yangon
- ▶ Charltons was named the **"Corporate Finance Law Firm of the Year in Hong Kong"** in the Corporate Intl Magazine Global Award 2014
- ▶ **"Boutique Firm of the Year"** / **"Boutique Transactional Law Firm of the Year"** was awarded to Charltons by Asian Legal Business for the years 2002, 2003, 2006 to 2017 (inclusive) and 2020
- ▶ **"Hong Kong's Top Independent Law Firm"** was awarded to Charltons in the Euromoney Legal Media Group Asia Women in Business Law Awards 2012 and 2013
- ▶ **"Equity Market Deal of the Year"** was awarded to Charltons in 2011 by Asian Legal Business for advising on the AIA IPO

Charltons – Directory Listings / Recommendations



▶ **Asialaw Profiles 2021**

- Capital markets - Highly recommended
- Corporate and M&A - Highly recommended
- Investment funds - Highly recommended
- Private equity - Highly recommended
- Banking and financial services - Recommended
- Technology and telecommunications - Recommended
- Regulatory - Recommended

▶ **Chambers and Partners**

- Corporate/M&A: Independent Hong Kong Firms - Band 3

▶ **Chambers Ranked Individuals**

- Julia Charlton - Capital Markets: Equity (International firms) China - Recognised Practitioner
- Julia Charlton - Corporate/M&A: Independent Hong Kong Firms - Band 3
- Clinton Morrow - Corporate/M&A: Independent Hong Kong Firms - Recognised Practitioner



▶ **IFLR1000**

- Capital markets : Equity - Other notable
- M&A - Other notable

▶ **IFLR1000 Ranked Individuals**

- Julia Charlton - Highly regarded

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▶ Excellent links and networks with law firms worldwide.

▶ Julia Charlton was:

▶ named a “**Leading Lawyer**” by Asia Law & Practice for the years 2002, 2003, 2006-2020 (inclusive)

▶ awarded ‘**Hong Kong Capital Markets Lawyer of the Year**’ by Finance Monthly Global Awards 2014.

▶ named a ‘**Leading Advisor**’ by Acquisition International for 2013.

▶ awarded the American Chamber of Commerce of Hong Kong / South China Morning Post Women of Influence: Professional of the Year 2008.

▶ finalist of Veuve Clicquot Business Woman Award 2018 Hong Kong



Practice Areas

- ▶ Capital markets
- ▶ Corporate and commercial
- ▶ Securities
- ▶ Mergers and acquisitions
- ▶ Investment funds: China and offshore
- ▶ Derivatives
- ▶ Restructuring
- ▶ Venture capital
- ▶ Investment



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Practice Areas

▶ **Capital Markets**

- Global offerings and GDRs
- IPOs and Placings
- Listing on the Hong Kong, Shanghai, Shenzhen, London and Luxembourg stock exchanges

▶ **Corporate and Commercial**

- Mergers and Acquisitions
- Joint ventures
- Stock exchange advisory
- Corporate governance
- Stock options
- Employment law

▶ **Securities**

- Compliance and disclosure
- Dealing and advisory authorisations in Hong Kong and Mainland China
- Options

▶ **Investment Funds: China and Offshore**

- Authorised and unauthorised funds
- Stock exchange listing (including Hong Kong, Dublin, London, Cayman, Bermuda stock exchanges)
- Closed-end and open-ended structures
- Hedge funds

▶ **Mergers and Acquisitions**

- Hong Kong Code on Takeovers and Mergers
- Public offerings
- Reverse takeovers
- Private acquisitions
- Due diligence in China and elsewhere in Asia

▶ **Derivatives**

- Structuring listed and unlisted derivatives
- Placings on Hong Kong and Luxembourg listed warrants and other structured products
- Compliance and regulatory

▶ **Restructuring**

- Schemes of arrangement
- Workouts
- Corporate recovery
- Asset injections

▶ **Investment**

- China investment regulations
- Structuring a major foreign direct investment projects
- Evaluation and due diligence

▶ **Private Equity and Venture Capital**

- Optimum PRC and offshore structures
- Preferred stock financing
- PRC regulations
- Exit Strategies

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Our services

Our services include:

- ▶ As the company's lawyer, principal responsibilities include, *inter alia*:
 - advising the company on the relevant listing and regulatory requirements in Hong Kong
 - advising on any reorganisation plans and share option schemes
 - assisting the company to prepare all relevant documents for the listing, including the prospectus (upon request), deeds, directors' undertakings, service contracts, appointment letters, committee terms of reference, waiver applications, connected transaction analysis and submissions and other applicable documents
 - issuance of legal opinions
 - assisting the company to prepare for due diligence to be conducted by the sponsor
 - conducting directors' training
 - coordinating with legal adviser of relevant jurisdictions
 - liaising with the Stock Exchange on behalf of the company



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Our services

- ▶ As the sponsor's lawyer, principal responsibilities include, *inter alia*:
 - advising the sponsor and underwriters on the relevant Hong Kong legal and regulatory requirements in connection with the proposed listing
 - assisting the sponsor to conduct due diligence on the company
 - reviewing due diligence documents and conducting verification of the prospectus and coordinating with the auditor in relation to verification of financial information
 - preparing the listing application, submissions, checklists and other documents required to be submitted
 - Preparing documentation and advising on the marketing, underwriting, syndication, stabilization etc. of the share offering
 - preparing sections of the prospectus
 - preparing response to regulators over vetting process
 - reviewing all documents and disclosures prepared by the company's lawyer



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The Charltons Team

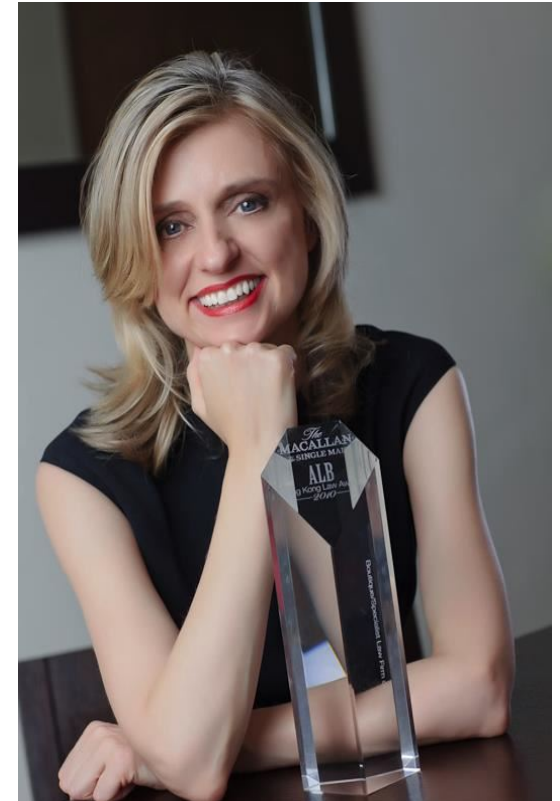
The team is composed of individuals with the following knowledge, skills and experience:

- ▶ A detailed knowledge of Hong Kong law and practice in relation to IPOs and equity fund raising transactions of public companies.
- ▶ Extensive experience in providing legal services for Hong Kong and PRC-related IPO transactions.
- ▶ In depth knowledge of the Listing Rules of both GEM and the Main Board of the Hong Kong Stock Exchange.
- ▶ Depth and range of experience in advising companies in connection with IPO and listing transactions.

Team Profile: Julia Charlton

Julia Charlton – Partner

- ▶ Julia, LL.B (1st class Honours), A.K.C (Kings College, London) was admitted as a solicitor in England & Wales in 1985 and has practised as a solicitor in Hong Kong since 1987.
- ▶ Julia is a member of the Takeovers Panel and the Takeovers Appeal Panel of the SFC, and served the maximum permitted term as a member of the Listing Committee of the Stock Exchange of Hong Kong Limited for six years from 2012 to 2018.
- ▶ Julia was named a “**Leading Lawyer**” by Asia Law & Practice for the years 2002, 2003, and 2006 to 2017.
- ▶ Julia was named a “**Leading Advisor**” by Acquisition International for 2013.
- ▶ Julia was also named the “**Capital Markets Lawyer of the Year – Hong Kong**” in the Finance Monthly Global Awards 2014.
- ▶ Julia has extensive experience in China work and is a Mandarin speaker.



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Team Profile: Calvin Ho

Calvin Ho – Partner

- ▶ Calvin, Bachelor of Laws (LL.B) & Bachelor of Commerce (B.Com) (University of Melbourne), was admitted as solicitor in Hong Kong since 2009
- ▶ Calvin is a capital markets lawyer who regularly advises on IPOs, spin-offs, pre-IPO consultations, review and appeals as well as other related matter. Selected experience include:
 - ▶ advised AIA Group Limited (1299) in connection with regulatory aspects of listing on the Main Board (*Equity Market Deal of the Year, 2011 ALB Awards Hong Kong*)
 - ▶ advised United Company RUSAL Plc (486), one of the world's largest aluminium company, on legal and regulatory aspects of its listing on Main Board as well as post-listing transactions (including very substantial transactions, redomiciliation etc.) and other ongoing legal and compliance issues
 - ▶ advised on successful listing of True Partner Capital Holdings Limited (8657), Fu Shek Financial Holdings Ltd (2263) Excalibur Global Financial Holdings (8350), Zhi Sheng Group Holdings Ltd (8370), Medicskin Holdings Limited (8307), China Singyes New Materials Holdings Ltd (8073) etc. and transfer of listing of from GEM to Main Board of KVB Kunlun Holdings Limited (6877)



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Professional Experience

- ▶ Charltons has considerable experience in advising companies or sponsors in relation to listings on the Main Board or the GEM of the Hong Kong Stock Exchange, and has extensive experience in bringing both private and state-owned Chinese enterprises to market

- ▶ The following slides sets out selected IPO experience of Charltons. In addition to these IPOs, Charltons is often considered specialists in the field and is often engaged to advise on complex IPO-related matters, some of which involves extensive consultations, negotiations and dialogue with the Hong Kong regulators. By way of example, recently, we have been involved in:
 - ❑ advised the proposed spin-off on the Main Board of the steel processing, distribution and recycling businesses from the listed parent company engaged in real estate and property development, involving complex issues leading to appeals on various levels of the Listing Committee of the Stock Exchange

 - ❑ advised on the proposed spin-off on the Main Board of reproductive healthcare services business of a financial conglomerate which involved technical regulatory and valuation issues requiring extensive consultation with the Stock Exchange

Professional Experience

- ❑ advised as HK counsel and regulatory specialist in connection with the proposed listing on Main Board (and subsequently proposed U.S. listing) of Bitmain, the largest cryptocurrency mining hardware company and operator of mining pools involving highly complex regulatory advice and due diligence
- ❑ advised on the proposed spin-off on the Main Board of application software services business from the parent company engaged in solutions and integration services which involved extensive negotiation with Stock Exchange on valuation and delineation issues
- ❑ currently advising on the possible relaunch of an IPO by a financial services provider which has attempted and failed to list on the Main Board (previously on GEM) of the Stock Exchange due to complex regulatory issues
- ❑ currently advising the sponsor on due diligence enquiries from the regulators concerning an lapsed listing application on the Main Board by a cement producer involving technical issues

As capital market lawyers, we are also heavily involved in post-listing compliance and regulatory issues as well as restructurings and privatisations involving listed entities. For example, we advised the managing director in relation to the privatisation of Hopewell, and is currently advising on a number of other privatisations, redomiciliation and restructurings involving prominent listed groups.

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Examples of IPO Experience

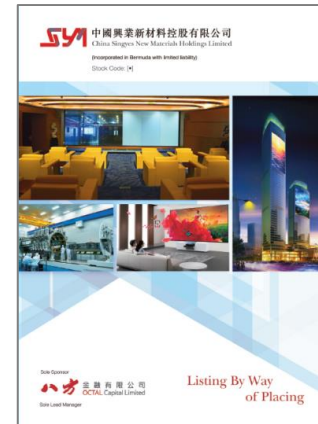
- ▶ **True Partner Capital Holding Limited** (listed on the the GEM of the SEHK in October 2020), Charltons acted as the Hong Kong legal adviser to the sponsor and underwriters)
- ▶ **Fu Shek Financial Holdings Limited** (listed on the Main Board of the SEHK) in February 2020, Charltons acted as Hong Kong legal adviser to sponsor and underwriters)
- ▶ **Tianli Education International Holdings Limited** (listed on the Main Board of the SEHK in July 2018, Charltons acted as the Hong Kong legal adviser to the sponsor and underwriters)



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Examples of IPO Experience

- ▶ **Excalibur Global Financial Holdings Limited** (listed on the GEM of the SEHK in January 2018, Charltons acted as the Hong Kong legal adviser to the sponsor and underwriters)
- ▶ **China Singyes New Materials Holdings Limited** (listed on the GEM of the SEHK in June 2017, Charltons acted as the Hong Kong legal adviser to the sponsor and underwriters in connection with spins-off and listing)
- ▶ **Tree Holdings Limited** (listed on the GEM of the SEHK, Charltons acted as the Hong Kong legal adviser to the sponsor and underwriters)



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Examples of IPO Experience

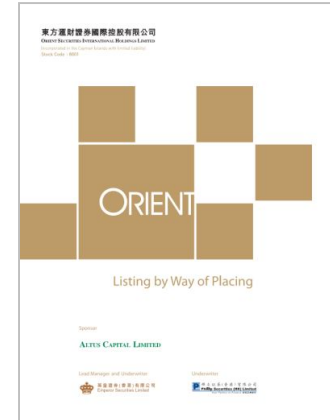
- ▶ **Somerley Capital Holdings Limited** (listed on the GEM of the SEHK in March 2017, Charltons acted as the Hong Kong legal adviser to the company)
- ▶ **Zhi Sheng Group Holdings Limited** (listed on the GEM of the SEHK in January 2017, Charltons acted as the Hong Kong legal adviser to the sponsor and underwriters)
- ▶ **Medicskin Holdings Limited** (listed on the GEM of the SEHK in December 2014, Charltons acted as the Hong Kong legal adviser to the company)



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Examples of IPO Experience

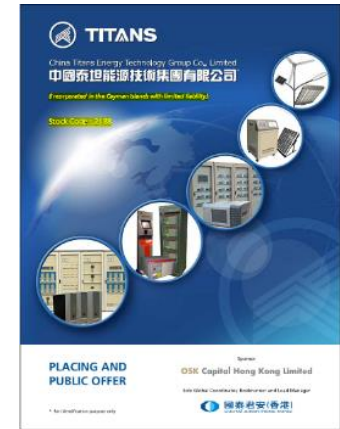
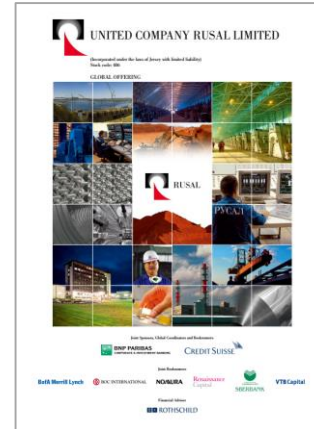
- ▶ **Orient Securities International Holdings Limited** (listed on the GEM of the SEHK in January 2014, Charltons acted as the Hong Kong legal adviser to the sponsor and underwriters)
- ▶ **Mastercraft International Holdings Limited** (listed on the GEM of the SEHK, Charltons acted as the Hong Kong legal adviser to the sponsor and underwriters)
- ▶ **Branding China Group Limited** (listed on the GEM of the SEHK, Charltons acted as the Hong Kong legal adviser to the sponsor and underwriters)
- ▶ **AIA Group Ltd.** (listed on the Main Board of the SEHK, Charltons acted as the Hong Kong legal adviser to AIG, the controlling shareholder)



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Examples of IPO Experience

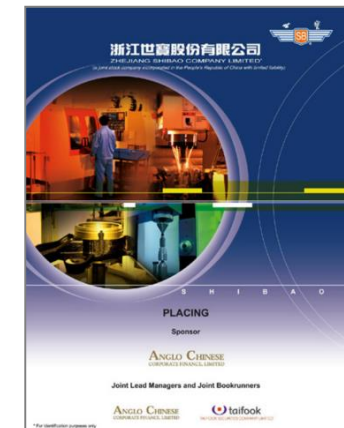
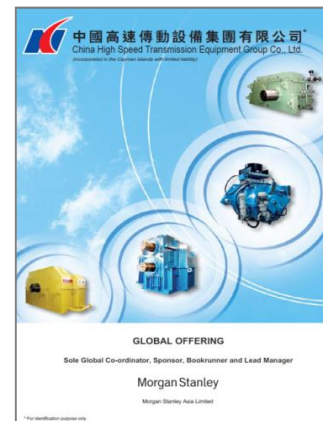
- ▶ **United Company RUSAL Plc** (listed on the Main Board of the SEHK, Charltons acted as the Hong Kong legal adviser to the controlling shareholder)
- ▶ **China Titans Energy Technology Group Co., Limited** (listed on the Main Board of the SEHK , Charltons acted as the Hong Kong legal adviser to the sponsor and underwriters)
- ▶ **Mingfa Group (International) Company Limited** (listed on the Main Board of the SEHK , Charltons acted as the Hong Kong legal adviser to the company)
- ▶ **Greens Holdings Limited** (listed on the Main Board of the SEHK, Charltons acted as the Hong Kong legal adviser to the company)



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Examples of IPO Experience

- ▶ **China All Access (Holdings) Limited** (listed on the Main Board of the SEHK, Charltons acted as the Hong Kong legal adviser to the sponsor and underwriters)
- ▶ **China Tianyi Fruit Holdings Limited** (listed on the Main Board of the SEHK, Charltons acted as the Hong Kong legal adviser to the sponsor and underwriters)
- ▶ **China High Speed Transmission Equipment Group Co., Ltd.** (listed on the Main Board of the SEHK, Charltons acted on behalf of the company)
- ▶ **Zhejiang Shibao Co., Ltd.** (listed on the GEM of the SEHK, Charltons acted as the Hong Kong legal adviser to the company)



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Other IPO Experience

- ▶ **Fu Ji Food and Catering Services Holding Ltd.** (listed on the Main Board of the SEHK, Charltons represented the strategic investor)
- ▶ **China Fire Safety Enterprise Group Holdings Ltd.** - *previously named Fujian Wanyou Fire Safety Technology Holdings Ltd.* - (listed on the GEM of the SEHK, Charltons represented the strategic investor)
- ▶ **Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co. Ltd.** (listed on GEM of the SEHK, Charltons acted as the Hong Kong legal adviser to the sponsor)
- ▶ **Tianjin TEDA Biomedical Engineering Co. Ltd.** (listed on GEM of the SEHK, Charltons acted as the Hong Kong legal adviser to the sponsor)
- ▶ **Zheda Lande Scitech Ltd.** (listed on GEM of the SEHK, Charltons acted as the Hong Kong legal adviser to the company)
- ▶ **Merdeka Resources Holdings Ltd.** - *previously named TradeEasy Holdings Ltd.* - (listed on GEM of the SEHK, Charltons acted as the Hong Kong legal adviser to the company)
- ▶ **E. Bon Holdings Ltd.** (listed on the Main Board of the SEHK, Charltons acted as the Hong Kong legal adviser to the sponsor)
- ▶ **Great Wall Technology Co. Ltd.** (listed on the Main Board of the SEHK, Charltons acted as the Hong Kong legal adviser to the company)

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