



New Ongoing Public Float Requirements for HKEX Listed Companies from 1 January 2026

New ongoing public float requirements for Hong Kong-listed companies took effect on 1 January 2026 following The Hong Kong Stock Exchange's (the **HKEX**) publication of its [Consultation Conclusions](#) on its proposed amendments to the HKEX Listing Rules. The revised Main Board and GEM Listing Rules apply to all HKEX-listed companies, including those listed before 1 January 2026.

The key changes include:

- an optional alternative ongoing public float threshold that HKEX-listed companies can adopt once their shares have traded on the HKEX for at least 125 trading days;
- a bespoke ongoing public float requirement for PRC issuers (being companies incorporated in Mainland China as joint stock limited companies) with other listed shares (e.g. A+H share issuers);
- new monthly public float disclosure obligations that apply to listed companies' monthly returns from the month ending 31 January 2026 onwards;
- additional annual report disclosure requirements that apply to annual reports for financial years commencing on or after 1 January 2026; and
- revised obligations for listed companies that fail to maintain the required level of public float.

The HKEX has issued [Guidance Letter HKEX-GL121-26](#) to support HKEX-listed companies in complying with the revised Listing Rules.

The following provides a summary of the changes to HKEX-listed companies' obligations.

Ongoing Public Float Thresholds for HKEX-listed Companies

Initial Prescribed Threshold

HKEX-listed companies are required to maintain a public float of at least:

- 25% of the total number of issued shares in the class of shares listed on the HKEX (excluding treasury shares); or
- any lower public float percentage prescribed at listing under HKEX Listing Rule 8.08(1) (the **Initial Prescribed Threshold**).¹

The second limb accommodates two categories of HKEX-listed companies: listed companies that obtained waivers from the 25% threshold at listing under the pre-August 2025 initial public float requirements, and those that listed on or after 4 August 2025 under the tiered initial public float thresholds introduced by HKEX Listing Rule 8.08(1), or otherwise obtained a waiver allowing an initial public float percentage below 25%. The revised ongoing public float obligation applies to all HKEX-listed companies and replaces the transitional requirements in force since 4 August 2025.

Alternative Ongoing Public Float Threshold

The revised HKEX Listing Rules² introduce an optional alternative ongoing public float threshold (**Alternative Threshold**) which requires the publicly held shares listed on the HKEX:

- to have a market value of at least HK\$1 billion; and
- represent at least 10% of the listed company's total number of issued shares in the class of shares listed on the HKEX (excluding treasury shares).

This Alternative Threshold is intended principally for listed companies with a market capitalisation of HK\$4 billion or more since 25% of their listed shares will have a market value that meets the HK\$1 billion requirement.

Newly listed companies can only elect to rely on the Alternative Threshold once their shares have traded on the HKEX for at least 125 trading days.³ This means that HKEX-listed companies cannot reduce the percentage of public float below the Initial Prescribed Percentage in the first 125 trading days after listing. The HKEX also has the discretion to require a listed company to extend the 125-trading days for determining its shares' market value if, during that period, its listed shares have been suspended from trading for more than five consecutive business days.⁴

Determination of Market Value

The market value of publicly held shares must be calculated on a rolling basis by multiplying the number of publicly held shares on the date of determination by the volume weighted average price of the shares listed on the HKEX over the preceding 125 trading days.⁵ The volume weighted average price of shares is calculated by dividing the listed company's total turnover (as stated in the HKEX's daily quotation sheets) by the total number of shares traded (as stated in the HKEX's daily quotation sheets) for the preceding 125 trading days, as adjusted for any applicable corporate actions.

Announcement Requirement

If an HKEX-listed company opts to rely on the Alternative Threshold instead of the Initial Prescribed Threshold, it must publish an announcement giving reasons for the change and setting out its market value and public float percentage as at the latest practicable date.⁶ If it subsequently elects to rely on the Initial Prescribed Threshold, the HKEX-listed company must publish an announcement setting out the reasons for the change and its public float percentage as at the latest practicable date.

Both the Initial Prescribed Threshold and Alternative Threshold apply to H share issuers with no other listed shares.

Ongoing Public Float for PRC Issuers with other Listed Shares (e.g., A+H issuers)

A bespoke ongoing public float threshold requirement applies to PRC issuers with other listed shares. PRC issuers are defined as companies incorporated in Mainland China as joint stock limited companies. The term does not

¹ MB LRs 13.32B(1) and 19A.28B(1)(a) and GEM LRs 17.37B(1) and 25.21B(1)(a)

² MB LR 13.32B(2) and 19A.28B(1)(b) and GEM LRs 17.37B(2) and 25.21B(1)(b)

³ MB LR 13.32B(2) and 19A.28B(1)(b) and GEM LRs 17.37B(2) and 25.21B(1)(b)

⁴ MB LR 13.32B(2) and 19A.28B(1)(b) and GEM LRs 17.37B(2) and 25.21B(1)(b)

⁵ MB LR 13.32A(3) and 19A.28A(3) / GEM LRs 17.37A(3) and 25.21A(3)

⁶ MB LR 13.32C and 19A.28C / GEM LR 17.37C and 25.21C

therefore include red-chip companies that are incorporated outside Mainland China.

PRC issuers with other listed shares, such as A+H issuers, must at all times have H shares held by the public that:

- have a market value of at least HK\$1 billion; **or**
- represent at least 5% of the total number of shares in the class to which the H shares belong (including their H shares and A shares⁷ but excluding any treasury shares).⁸

In the case of a PRC issuer with other listed shares, the market value of its public float is calculated by multiplying the number of publicly held H shares on the date of determination by the volume weighted average price of the H shares over the preceding 125 trading days or all trading days since listing, if shorter.⁹

Non-PRC Issuers with Shares Listed on a PRC Stock Exchange (e.g. RMB shares)

The ongoing public float thresholds applicable to PRC issuers with other listed shares also applies to non-PRC issuers with shares listed on a PRC stock exchange, if those shares are of the same class as, but are not fungible with, the shares listed on the HKEX.

Monthly and Annual Public Float Reporting Obligations

The table below summarises the revised monthly and annual report public float reporting obligations for different types of listed company.¹⁰

Reporting Obligation	Monthly Returns	Annual Reports
Confirmation of compliance with applicable ongoing public float percentage	All listed companies	All listed companies
Minimum public float percentage threshold	Listed companies relying on the Initial Prescribed Threshold	Listed companies relying on the Initial Prescribed Threshold
Actual public float percentage	Listed companies relying on the market value-based thresholds, i.e., <ul style="list-style-type: none"> • companies relying on the Alternative Threshold; and • PRC issuers with other listed shares (e.g., A+H issuers) relying on the market value limb of the ongoing public float threshold 	All listed companies Listed companies (including H share issuers with no other listed shares) that rely on the Alternative Threshold and PRC issuers with other listed shares that rely on the market value limb of the ongoing public float threshold at any time within the financial year must additionally disclose: <ul style="list-style-type: none"> • the market value and percentage of their public float as at the end of each month in which they relied on that threshold; and • a commentary on all material changes to their public float during the financial year
Actual public float market value	Listed companies relying on the market value-based thresholds, i.e., <ul style="list-style-type: none"> • companies relying on the Alternative Threshold; and 	Listed companies relying on the market value-based thresholds, i.e., <ul style="list-style-type: none"> • companies relying on the Alternative Threshold; and

7 The A shares of an A+H issuer will be included in the denominator because A shares and H shares are considered to be the same class of shares under PRC laws and regulations

8 MB LR 19A.28B(2)/ GEM LR 25.21B(2)

9 MBLR 19A/28A(4)/ GEM LR 25.21A(4)

10 MB LRs 13.32D and 19A.28D / GEM LRs 17.37D and 25.21D

Actual public float market value	<ul style="list-style-type: none"> • PRC issuers with other listed shares (e.g., A+H issuers) relying on the market value limb of the ongoing public float threshold 	<ul style="list-style-type: none"> • PRC issuers with other listed shares (e.g., A+H issuers) relying on the market value limb of the ongoing public float threshold
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Public float disclosure must be made based on information that is publicly available to listed companies or is otherwise within the knowledge of their directors or supervisors (in the case of PRC issuers).¹¹ According to [Guidance Letter HKEX-GL121-26](#), HKEX-listed companies must make reasonable efforts to determine their public float and are expected to include shareholdings: (i) reported under Part XV of the Securities and Futures Ordinance (the SFO); and (ii) notified to them under internal controls put in place to ensure that their core connected persons (and other shareholders who are not considered to be “public” shareholders) are aware of the requirement, and will notify them of their shareholdings and subsequent changes to them. Listed companies should also take into account other non-public shareholdings that have not been disclosed in public filings but are known to the listed company’s directors or supervisors. However, HKEX-listed companies are not expected to exhaust all possible means of ascertaining their underlying shareholders. For example, they are not expected to conduct an investigation under section 329 of the SFO.¹²

[Guidance Letter HKEX-GL121-26](#)¹³ advises listed companies to clearly state any caveats or assumptions underlying their public float disclosures. For instance, where a disclosure is based on filings made under Part XV of the SFO, but the listed company is unable to confirm the actual shareholding of a relevant shareholder as at the disclosure date, it must disclose the relevant limitations. In the case of monthly returns, this information should be included in the “Additional Information” section.

Annual Report Disclosure of Share Ownership Composition by HKEX-listed Companies

The revised HKEX Listing Rules¹⁴ require listed companies to include in their annual reports a statement showing the composition of ownership of the class of HKEX-listed shares as at the end of their financial year. According to [Guidance Letter HKEX-GL121-26](#),¹⁵ this requires disclosure of:

- (1) shares held by the following categories of shareholders who are not members of the public:
 - substantial shareholders of the listed company and their close associates (identified on an individually named basis and stating the nature of their relationship with the listed company);
 - directors, supervisors and chief executives of the listed company and their close associates (identified on an individually named basis and stating the nature of their relationship with the listed company); and
 - the aggregate shareholding of other persons excluded from the definition of the “public” including: (a) directors, chief executives and chief executives of the listed issuer’s subsidiaries and their close associates; and (b) persons accustomed to taking instructions from a core connected person of the listed company; and
- (2) shares held by the following categories of public shareholders:
 - persons that are defined as the “public” and have disclosed their interests under Part XV of the SFO (identified on an individually named basis and stating the nature of their relationship with the listed company);
 - an independent trustee holding granted (vested or unvested shares) of a share scheme of the listed company on behalf of independent scheme participants (identified on an individually named basis and stating the nature of their relationship with the listed company);¹⁶ and
 - the aggregate shareholding of other members of the public.

Annual Report Disclosure of Share Capital Structure Information by HKEX-listed Companies

11 MB LRs 13.32D(4) and 19A.28D(4) / GEM LRs 17.37D(4) and 25.21D(4)

12 HKEX-GL121-26 at paragraph 10

13 *Ibid.* at paragraph 11

14 MB LRs 13.32D(2)(c)(iii)(1) and 19A.28D(2)(c)(iii)(1) / GEM LRs 17.37D(2)(c)(iii)(1) and 25.21D(2)(c)(iii)(1)

15 HKEX-GL121-26 at paragraph 12

16 These shares are regarded as being held “by the public” under the Note to MB LR 8.24/ Note 3 to GEM LR 11.23

All HKEX-listed companies must state, in their annual reports, the structure of their share capital as at the end of the relevant financial year.¹⁷ According to [Guidance Letter HKEX-GL121-26](#),¹⁸ this disclosure should provide:

- details of the different type(s) and class(es) of securities;
- the percentage of each share type (as a percentage of the total number of shares);
- the ranking of each share type; and
- details of any special voting right structure (if applicable).

HKEX-listed Companies' Obligations on Breach of the Ongoing Public Float Requirement

Under the revised regime, the HKEX will discontinue its previous practice of automatically suspending trading in the shares of a listed company that breaches the ongoing public float requirement. Instead, breach of the applicable public float threshold triggers the obligations described below.

Public Float Restoration

As under the previous HKEX Listing Rules, the listed company must take active steps to restore its public float to the applicable ongoing public float threshold (i.e., its Initial Prescribed Threshold or the Alternative Threshold or, in the case of PRC issuers with other listed shares, the relevant bespoke ongoing public float threshold) as soon as possible.¹⁹ According to [Guidance Letter HKEX-GL121-26](#),²⁰ the company's board should promptly formulate and announce a viable restoration plan, setting out a clear timeline for each stage of implementation to demonstrate that the required minimum public float will be restored within a reasonable period.

Initial Announcement

An HKEX-listed company must publish an announcement of the HKEX Listing Rule breach within one business day of becoming aware of it, setting out:²¹

- the percentage of its public float;
- for a listed company relying on the Alternative Threshold and a PRC issuer with other listed shares relying on the market value threshold of Listing Rule 19A.28B(2)(a), the market value of its public float at the date of the Listing Rule breach;
- the reasons for the Listing Rule breach;
- its plan and expected timeline for restoring its public float; and
- the composition of ownership of the share class listed on the HKEX.

Where a listed company is unable to finalise the details of its restoration plan at the time of the initial announcement, it can set out those details in a subsequent announcement, which must be published within 15 business days of it becoming aware of its breach of the public float requirement.

Subsequent Monthly Update Announcements

A listed company in breach of the ongoing public float requirement must publish monthly announcements no later than the date of its monthly return²² setting out:

- its public float percentage;
- for a listed company relying on the Alternative Threshold and a PRC issuer with other listed shares relying on the market value threshold of Listing Rule 19A.28B(2)(a), the market value of its public float at the date of the HKEX Listing Rule breach;

17 MB LRs 13.32D(2)(c)(iii)(2) and 19A.28D(2)(c)(iii)(2)/ GEM LRs 17.37D(2)(c)(iii)(2) and 25.21D(2)(c)(iii)(2)

18 HKEX-GL121-26 at paragraph 13

19 MB LRs 13.32E(1) and 19A.28E(1)/ GEM LRs 17.37E(1) and 25.21E(1)

20 HKEX-GL121-26 at paragraph 17

21 MB LRs 13.32E(1)(b) and 19A.28E(1)(b)/ GEM LRs 17.37E(1)(b) and 25.21E(1)(b)

22 MB LRs 13.32E(2)(a) and 19A.28E(2)(a)/ GEM LRs 17.37E(2)(a) and 25.21E(2)(a)

- the status of its public float restoration plan, including actions taken during the relevant period to restore its public float; and
- the expected timing of its public float restoration.

Restrictions on Actions that may Further Reduce HKEX-listed Companies' Public Float

For so long as an HKEX-listed company is in breach of the ongoing public float threshold, the company and its directors (and supervisors in the case of a PRC issuer) must not (and must use their best endeavours to ensure that their close associates do not) take any action that could further reduce the company's public float percentage, unless the circumstances are exceptional.²³ This prohibition also applies to any action taken in accordance with a pre-existing arrangement entered into before the breach of the ongoing public float obligation.²⁴ Examples of actions that could reduce the public float include a share repurchase by the HKEX-listed company, or an acquisition of shares by its directors or their close associates.

According to [Guidance Letter HKEX-GL121-26](#),²⁵ 'exceptional circumstances' will include where a listed company: seeks to privatise and repurchases shares under a general offer; acts in compliance with a court order or regulatory enforcement action; or holds shares temporarily under a pre-existing arrangement and disposes of the shares in a transaction to restore its public float.

The Guidance Letter also provides that the HKEX may sanction any person specified in Main Board Listing Rule 2A.09(1) or GEM Listing Rule 3.10(1), including a listed company's directors, substantial shareholders and senior management, if they cause, or knowingly participate in, a listed company's breach of the HKEX Listing Rules.²⁶

Consequences of Significant Public Float Shortfall

Thresholds for Significant Public Float Shortfall

Under the revised HKEX Listing Rules,²⁷ a public float shortfall will constitute a "Significant Public Float Shortfall" unless the listed company's publicly held HKEX-listed shares:

- represent at least 15% of the total issued shares in the class (or at least 50% of the Initial Prescribed Threshold for listed companies with a minimum public float percentage below 25% at initial listing); or
- have a market value of at least HK\$500 million and constitute at least 5% of the total number of issued shares in the class of listed shares (excluding treasury shares). However, this second limb does not apply if the listed company's shares have traded for less than 125 trading days since listing.

For PRC issuers with other listed shares, a public float shortfall will be deemed a Significant Public Float Shortfall unless their publicly held H shares:

- have a market value of at least HK\$500 million; or
- represent at least 5% of the total number of shares in the same class as the H shares (excluding treasury shares).²⁸

The threshold for a Significant Public Float Shortfall applicable to PRC issuers with other listed shares also applies to non-PRC issuers that have part of their share class listed on a PRC stock exchange (e.g., RMB-denominated shares listed on a PRC exchange by a non-PRC company). This applies when those shares are in the same class as, but are not fungible with, the shares listed on the HKEX. In this context, references to "H shares" are adjusted to mean the shares listed on the HKEX.

Introduction of a Special Stock Marker

As mentioned above, the HKEX will no longer automatically suspend trading in a listed company's shares if it breaches the ongoing public float requirement. However, listed companies with a Significant Public Float Shortfall will be marked with a special stock identifier in their stock short name.

²³ MB LRs 13.32E(2)(b), 13.32E(3), 19A.28E(2)(b) and 19A.28E(3)/ GEM LRs 17.37E(2)(b), 17.37E(3), 25.21E(2)(b) and 25.21E(3)

²⁴ HKEX-GL 121-26 at paragraph 25

²⁵ HKEX-GL 121-26 at paragraph 26

²⁶ HKEX-GL 121-26 at paragraph 27

²⁷ MB LRs 13.32F and 19A.28F(1)/ GEM LRs 17.37F and 25.21F(1)

²⁸ MB LR 19A.28F(2)/ GEM LR 25.21F(2)

Disclosure obligations for HKEX-listed Companies with Significant Public Float Shortfall

HKEX-listed companies with a Significant Public Float Shortfall are subject to the following additional disclosure obligations.

- **Announcement:** Listed companies must publish an announcement within one business day of becoming aware of a Significant Public Float Shortfall to inform the public that such a shortfall has occurred.²⁹ This announcement obligation is additional to the listed company's obligation to publish an initial announcement and ongoing monthly announcements with respect to its breach of the public float requirement; and
- **Clear Warning Regarding Low Public Float:** Listed companies must include a prominent warning statement on the front cover or inside front cover or as a heading in all listing documents, circulars, announcements or notices published under the HKEX Listing Rules. This warning statement must be in the form set out in the Listing Rules.³⁰ It must state that the listed company has experienced a Significant Public Float Shortfall and that its shares will be delisted if it does not restore its public float to the required ongoing public float threshold within 18 months for Main Board-listed companies or 12 months for GEM-listed companies.

Delisting

The HKEX will cancel the listing of a listed company's shares if it fails to restore its public float to meet the applicable ongoing public float threshold within 18 months (or 12 months for companies listed on GEM) from the date on which the Significant Public Float Shortfall occurred.³¹

Removal of the Special Stock Marker

The HKEX will remove the special stock marker only once the listed company has restored its public float to the applicable ongoing public float threshold and published an announcement confirming such restoration.

Suspension of Trading

Although the HKEX will not halt trading in a listed company's shares solely because of a public float shortfall, it retains the authority to order a trading halt or suspend dealings in any listed company's securities if there are signs of a false market.³²

Concentration of Shareholdings of HKEX-listed Company

If the HKEX suspects that a listed company's securities may be predominantly held by a small group of shareholders to the detriment or without the knowledge of the investing public, it has the right to require the listed company to:

- publish an announcement informing investors that shareholding may be concentrated among a few shareholders and advising caution when trading in its securities; and
- conduct an investigation under section 329 of the SFO and publish the results of that investigation.³³

SFC Takeovers Code Offers

The HKEX has retained the requirement for Takeovers Code offerors to:

- undertake to restore any public float shortfall upon completing an offer under the Takeovers Code if they intend the company to remain listed; and
- disclose this undertaking in the offer document.

The HKEX will also retain the practice of granting listed companies a timing-relief waiver from the ongoing public float requirement for a reasonable period following a general offer, to allow time for restoration of the public float under Main Board Listing Rule 13.33 and GEM Listing Rule 17.38B. However, a timing-relief waiver will not be granted to listed companies with a Significant Public Float Shortfall after completion of the general offer.

²⁹ MB LRs 13.32G(1) and 19A.28G(1)/ GEM LR 17.37G(1) and 25.21G(1)

³⁰ MB LRs 13.32G(2) and 19A.28G(2)/ GEM LRs 17.37G(2) and 25.21G(2)

³¹ MB LRs 13.32G(3) and 19A.28G(3)/ GEM LRs 17.37G(3) and 25.21G(3)

³² MB LR 13.10/ GEM LR 17.11

³³ MB LR 13.34/ GEM LR 17.38C

Companies that are granted a timing-relief waiver from the ongoing public float requirement must comply with the requirements for listed companies in breach of the public float requirement under Main Board Listing Rule 13.32E and GEM Listing Rule 17.37E.

The HKEX Listing Rules have also been amended to require offer documents to contain a prominent statement in the form set out in Main Board Listing Rule 14.81(3) (GEM Listing Rule 19.81(3)) highlighting that a special stock marker may be imposed if there is a Significant Public Float Shortfall on completion of the offer, and that the company could face delisting if it does not restore its public float within 18 months (or 12 months for GEM-listed companies) of the date on which the Significant Public Float Shortfall occurred.

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