

Appendix : Principal Listing Eligibility 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 capitalisation/ 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.
Financial Tests	Applicants must meet one of 3 financial tests			<p>A GEM applicant must have :</p> <ul style="list-style-type: none"> a. positive cashflow from operating activities of >HK\$20 million (US\$2.6 million) in aggregate for the 2 preceding financial years; and b. market cap of >HK\$100 million
	1. Profit Test	2. Market Cap/ Revenue Test	3. Market Cap/ Revenue/ Cashflow Test	
Profit	At least HK\$50 million (US\$6.4 million) in the last 3 financial years (with profits of at least HK\$20 million (US\$2.6 million) recorded in the most recent year, and aggregate profits of at least HK\$30 million (US\$3.8 million) recorded in the 2 years before that)	-	-	
Market Cap	At least HK\$200 million (US\$26 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	

	Main Board			GEM	
	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	(US\$13 million) at the time of listing.
	Cashflow	-	-	Positive cashflow from operating activities of at least HK\$100 million (US\$13 million) in aggregate for the 3 preceding financial years	
Public Float	<p>25% of the issuer's total issued share capital must be held by the public at all times.</p> <p>The market capitalisation at the time of listing of the publicly held shares must be at least HK\$50 million (US\$6.4 million) (for Main Board issuers) and HK\$30 million (US\$3.8 million) (for GEM issuers).</p> <p>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).</p>				
Spread of Shareholders	<p>For issuers qualified for listing under:</p> <p>a. the profit test or the market capitalisation/ revenue/ cashflow test: 300 shareholders</p> <p>b. the market capitalisation /revenue test: 1,000 shareholders</p>			<p>There must be at least 100 public shareholders (which can include employee shareholders).</p>	
	<p>At the time of listing, not more than 50% of the publicly held securities can be beneficially owned by the 3 largest public shareholders</p>				
Working Capital	<p>Applicants must have sufficient working capital for at least 12 months after listing</p>			<p>The prospectus must include a statement by the directors that the group has sufficient working capital and if not, must state how it is proposed to provide the additional working capital thought to be necessary.</p>	

	Main Board	GEM
Incorporation of Issuer	<p>The Main Board and GEM Listing Rules allow the listing of companies incorporated in Hong Kong, China, Bermuda and the Cayman Islands.</p> <p>The Listing Rules also allow the listing of companies (i) from any jurisdiction which provides standards of shareholder protection that are at least equivalent to those required under Hong Kong law; or (ii) whose constitutional documents can be amended to provide equivalent standards of shareholder protection.</p> <p>The Exchange has accepted 10 jurisdictions as acceptable jurisdictions of incorporation - Australia, the British Virgin Islands, Canada (British Columbia and Ontario), Cyprus, Germany, Jersey, Luxembourg, Singapore and the United Kingdom.</p> <p>Secondary listings are permitted on the Main Board (but not GEM) if the exchange of the applicant's primary listing provides standards of shareholder protection equivalent to those provided in Hong Kong.</p>	