

*Hong Kong Growth Enterprise Market*  
*Highlights of listing requirements*

**Track record and market capitalization requirements**

- Trading record of not less than two financial years
- No profit requirement
- Positive cashflow generated from operating activities of at least HK\$20 million in aggregate for the two preceding financial years
- Market capitalization of at least HK\$100 million at the time of listing
- Exemptions may be granted for natural resources exploitation companies and newly formed project companies, such as major infrastructure projects, which can have shorter trading records
- Must be under substantially the same management for the two preceding full financial years and up until the date of listing
- Must have a continuity of ownership and control for the preceding full financial year and up until the date of listing

**Minimum public float**

- Market capitalization of at least HK\$30 million held by the public at the time of listing
- Minimum 25% of the issuers' total issued share capital at the time of listing
- The Exchange may, at its discretion accept a percentage of public float between 15% and 25% if the market capitalization of the issuer at the time of listing exceeds HK\$10 billion

**Future prospects**

- Statement of business objectives for the period covering the remaining financial year during which listing occurs and the two full financial years thereafter
- Inclusion of profit forecast is optional

**Accountants' report**

- Must be prepared in accordance with either Hong Kong Financial Reporting Standards
- Generally accepted accounting principles in the United States of America (US GAAP) are acceptable if the company is listed, or will be simultaneously listed, on either the New York Stock Exchange or the NASDAQ National Market
- In general, accountants' report covers at least two complete financial years, immediately preceding the issue of the prospectus

- The latest financial period reported on by the reporting accountants must not have ended more than six months before the date of the listing document

**Corporate governance**

- Three independent non-executive directors required
- Audit committee required
- Compliance officer required
- Required to appoint a compliance adviser for the period commencing on initial listing and ending on publication of financial results for the two full financial year after listing

**Acceptable jurisdictions**

- Hong Kong, Bermuda, the Cayman Islands and the People's Republic of China
- Other jurisdictions which are subject to appropriate standards of shareholder protection equivalent to those required under Hong Kong law will be considered
- Other jurisdictions for secondary listing may be considered

**Restrictions on controlling shareholders**

- A controlling shareholder at the time of listing must undertake:
  - Not to dispose of his interest in the issuer from the prospectus issue date to the first six months after listing
  - Not to dispose of his interest in the issuer in the next six months such that he would cease to be a controlling shareholder: at least 30% interest in the issuer
- A significant shareholder at the time of listing must undertake not to dispose of his interest in the issuer from the prospectus issue date to the first six months after the listing

**Other considerations**

- Competing businesses of management shareholders, substantial shareholders or directors are allowed but full disclosure is required
- May list by way of placing only
- No underwriting requirement
- Listed issuer is not allowed to issue new securities in the first six months after listing except for the purpose of acquiring assets which will complement its business