Listing Biotech, Specialist Technology & WVR-structured Companies on HKEX
&
HKEX's Listing Framework Competitiveness Review

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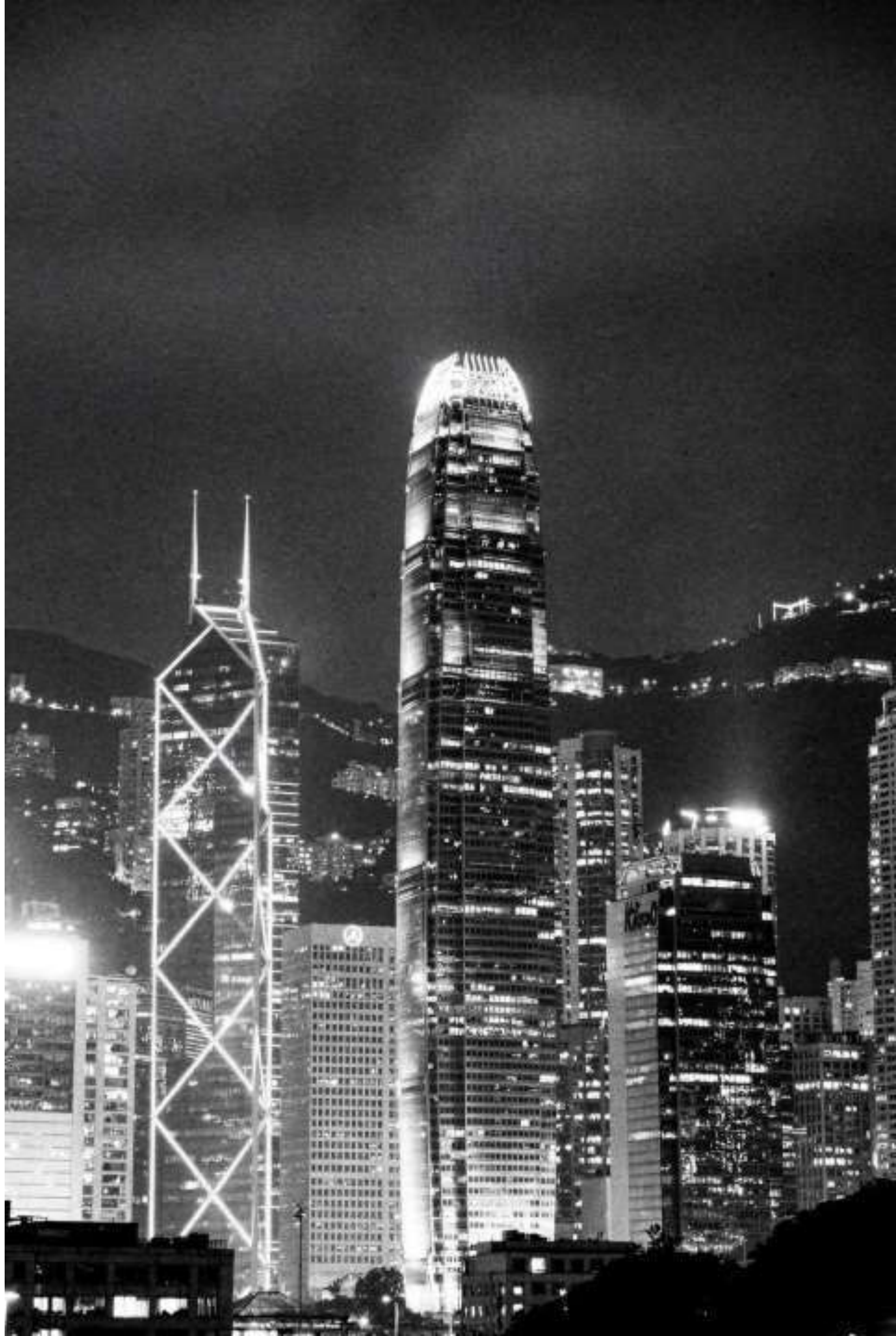


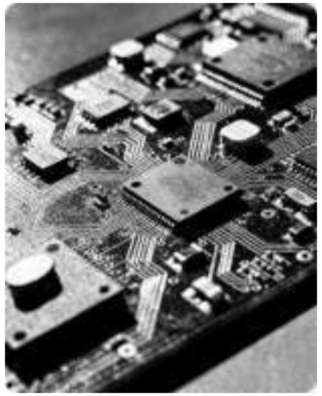
Today's Agenda

Pre-Revenue Biotech

Chapter 18A · April 2018

Weighted Voting Rights

Chapter 8A · April 2018



Specialist Technology

Chapter 18C · March 2023

HKEX Listing Competitiveness Review

LR changes effective 24 July 2026

Why Special Listing Regimes?

- Aim: to attract fast-growing China companies
- Compete with US exchanges/ Nasdaq for Mainland China listings
- Cater for Biotech / Tech cos unable to meet Ch. 8 financial tests due to R&D expenditure
- Without specialist regimes - risk losing listings to US exchanges

Chapter 18A

Biotech April 2018

Chapter 8A

WVR April 2018

Chapter 18C

Specialist Technology March 2023

Hong Kong Biotech: A Global Leader

91 Ch 18A Listings (as at 30.06.2026)	#2 Global Biotech Exchange
#1 Asia Biotech Exchange	14 Ch 18C Listings since introduction of Ch 18C

China's Biotech Sector

- Strategic emerging industry in 14th & 15th 5 Year Plans
- 2,427 biotech companies at 15 June 2026
- Moved beyond generic manufacturing to innovation
- Strengths in oncology & antibody drug conjugates
- US market obstacles: biosecurity legislation & designations as 'companies of concern'

Conventional Listing Financial Tests

Profit Test

- HK$35M profit most recent financial year
- HK$45M total two preceding years
- Market cap ≥ HK$500M

Market Cap / Revenue / Cash Flow Test

- Market cap ≥ HK$2B
- Revenue ≥ HK$500M
- Operating cash flow ≥ HK$100M over 3 financial years

Market Cap / Revenue Test

- Very large companies
- Market cap ≥ HK$4B
- Revenue ≥ HK$500M most recent audited financial year

- Pre-revenue biotech
- No GEM listing
- Main Board only
- Chapter 18A

CHAPTER 18A

What is a "Biotech Company"?

- Primarily engaged in R&D, application & commercialisation of Biotech products, processes or technologies (LR 18A.01)
- Biotech = application of science & technology to produce commercial products with medical or biological application

Ch. 2.3 HKEX Guide for New Listing Applicants

Applicant must satisfy Ch. 2.3 eligibility requirements

⚠ Chapter 18A is only for applicants unable to meet a Ch. 8 financial test (NB – this changed on 24.07.2026)

Key Eligibility Conditions

Market Capitalisation

- **HK$1.5B** minimum (LR 18A.03(2))
- HK$500M for Ch. 8 listings under profit test

Track Record

- **2 FYs** under substantially same management (LR 18A.03(3))
- 3 FYs for Ch. 8 listings

Working Capital

- **125%** of group costs (including R&D costs) for 12 months from listing (LR 18A.03(4))
- 100% for Ch. 8 listings

Suitability: Core Product Beyond the Concept Stage

FDA	EMA	NMPA
US Food and Drug Administration	European Medicines Agency	China National Medical Products Administration (formerly China Food & Drug Administration (**CFDA**))

- Applicants must have developed a Core Product beyond the "**concept stage**"
- Beyond "concept stage" - i.e., product has met developmental milestones set out in Guide for New Listing Applicants
- Different milestones apply to **Drugs** (i.e., pharmaceuticals and biologics), **Medical Devices** (including diagnostic devices); and **Other Biotech Products** (i.e., Biotech Products that are not Drugs or Medical Devices)

Developmental Milestones: Drugs

1

Clinical Trial Milestone

New drugs: Phase 1 completed

Biosimilars: 1 clinical trial completed

2

Regulatory Milestone

Competent Authority has no objection to Phase II or later trials

3

In-licensed or Acquired Products

One CA **regulated** trial since in-licensing or acquisition

Developmental Milestones: Medical Devices

1

Classification

Class II or above

2

Clinical Trial

One clinical trial completed for Class II or above

3

Regulatory Assurance

CA has no objection to further trials or sales

NMPA **"Green Path"** accepted

⚠

- Imminent downgrade below Class II
- No clinical trial milestone

May 2022 Listing Decision: Australian Clinical Trial

- Product had completed Phase 1 trials in Australia
- Phase 2 and 3 in EU & PRC
- EMA & NMP accepted Australian Phase 1 trials' data
- Applicant permitted to progress to Phase II & III trials by EMA & NMP
- HKEX requires product to have completed Phase I trials of a Competent Authority
- Australia’s Therapeutic Goods Administration (**ATGA**) is **not** a Competent Authority

HKEX accepted Australian trial based on EU and NMP approvals to progress to Phase II & III trials

Decision was fact specific

ATGA is not generally accepted as a Competent Authority

Five Suitability Criteria for Listing

1 **Core Product Beyond Concept Stage**

Developmental milestones met

2 **12 Months of R&D Activity**

R&D for Core Product

3 **Primary Reason for Listing:** to Raise Funds for R&D to bring Core Product to Commercialisation

4 **Intellectual Property Ownership**

Own IP for Core Product

Listing document must disclose patent/IP details

5 **Sophisticated Investor Backing**

Meaningful investment from sophisticated investor at least 6 months before listing & continuing at listing date

Sophisticated Investor: Who Qualifies?

Healthcare & Biotech dedicated Funds

& funds with a devision investing specifically in biopharmaceutical sector

Pharma & Healthcare Companies

& their venture capital funds

Institutions, Funds & Investors

With AUM of ≥HK$1 B

What Is a "Meaningful" Investment?

HK$1.5B – HK$3B market cap

5% of applicant's issued share capital

HK$3B – HK$8B market cap

3% of applicant's issued share capital

Above HK$8B market cap

1% of applicant's issued share capital

Public Float Requirements

(as revised in August 2025)

≤ HK$6B Market Value	> HK$6B – ≤HK$30B	> HK$30B
Public float **25%**	Higher of % shareholding having market cap of **HK$1.5B** or **15%**	Higher of % shareholding having market cap of **HK$4.5B** and **10%**

Free Float Requirement (LR 8.08A) (new in August 2025)

At listing, Listco's publicly held shares with **no restrictions on disposal** must:

- make up **at least 10%** of publicly held shares & have expected market value of **HK$50M+**; **OR**
- have an expected market value of **HK$600M+**

Existing Shareholders in Biotech IPO

Existing Shareholder Rules do **not** apply to Chapter 18A Biotech cos due to likely significant ongoing funding needs

- Existing shareholder holding <10% can invest in IPO as placee or Cornerstone Investor
- Existing shareholder holding ≥10% can invest as a Cornerstone Investor only
- Shareholder can exercise anti-dilution rights in accordance with Ch 4.15 of Guide for New Listing Applicants
- Core connected persons require waiver under LR9.09

Listing Document Disclosure

LRs 18A.04 - 18A.06

→ Accountants' Report

- for 2 FYs
- requires Companies Ordinance exemption certificate (exemption from disclosure requirements of Third Schedule CO)

→ Core Product Details

- Core Product description
- Regulatory approvals required/obtained
- Competent Authority communications
- R&D stage reached
- Commercialisation timeframe
- Patents granted/ applied for

→ Strategic objectives

Listing Document Disclosure

→ Safety & Market Data

- Material safety data
- Serious adverse events
- Market opportunity
- Competition description
- Patent details

Warning Statement - Core Product may not be successfully developed & marketed

→ Management & Risk

- Directors' & senior management's experience in Biotech product R&D, manufacturing & commercialisation
- Staff retention measures & key person dependency
- Legal claims
- Clinical trial risks
- Estimated cash operating costs

Biotechs' Continuing Obligations

Stock Marker "B"

Stock name ends with marker B (LR 18A.11)

Annual & half year reports must disclose:

- Details of R&D activities
- Core Product progress & timeframe to commercialisation (LR 18A.08)

Warning Statement in Financial Reports

Core Products may not be successfully developed & marketed

HKEX Consent Required

for transaction resulting in fundamental change to Biotech issuer's principal business activities (LR 18A.10)

De-listing & Graduation Ch. 8

De-listing Risk

- LR 13.24 adequacy of assets & operations requirement
- If breached, LR 18A.09 allows HKEX to suspend trading
- Listing will be cancelled if issuer fails to recomply with LR 13.24 within **12 months**
- 18 months allowed for standard issuers to re-comply

Graduation

When any of LR 8.05's 3 financial tests is satisfied:

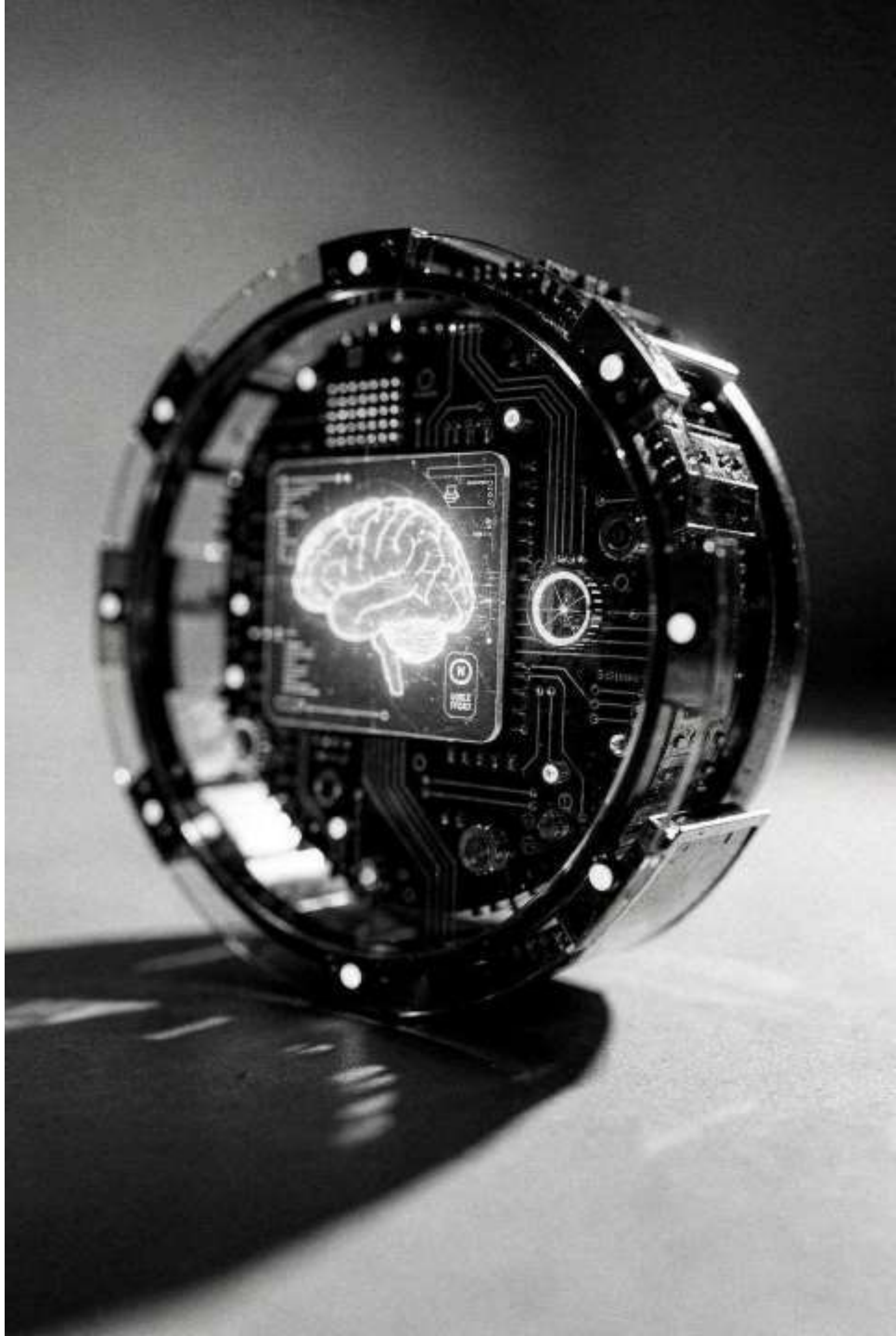
- restrictions under LR 18A.09–18A.11 end
- B marker is removed
- Exchange consent requirement for fundamental change is removed
- Shortened period for LR 13.24 re-compliance removed

NB Changed under 24.07.2026 LR amendments

Specialist Technology Companies

- Ch. 18C implemented March 2023

- A **Specialist Technology Company** = a company **primarily engaged** (whether directly or through its subsidiaries) in **R&D**, **commercialisation and/or sales** of, products and/or services that **apply science and/or technology** within an **acceptable sector** of a Specialist Technology Industry (**Specialist Technology Products**)



Specialist Technology Industries

Chapter 2.5 HKEX Guide for New Listing Applicants

Next-Generation IT

E.g., cloud services & AI

Advanced Hardware & Software

E.g., robotics, automation, aerospace, quantum information & metaverse technology

Advanced Materials

Synthetic biological materials, advanced inorganic materials & nanomaterials

New Energy & Environment Protection

Energy generation, storage & transmission & green technology

New Food & Agriculture Technologies

E.g., agricultural synthetic biology, agricultural biotechnology & crop efficiency & farming technology

Blockchain digital assets & pure FinTech not included

Commercial vs Pre-Commercial Companies

COMMERCIAL

Chapter 18C

- ≥ HK$250M REVENUE
  (most recent audited year)
- ≥ HK$6B MARKET CAP
- ≥ 15% R&D EXP.
  (of total operating expenditure)
- REVENUE GROWTH REQ.
  (Y-o-Y)

PRE-COMMERCIAL

- < HK$250M REVENUE
- ≥ HK$10B MARKET CAP
- R&D EXP. 30%–50%
  (≥ 30% if ≥ $150M; ≥ 50% if < $150M)
- PATH TO REVENUE SHOWING
  (credible path to HK$250M)

R&D and Track Record

R&D Engagement Period

- **3 FYs**
- Specialist Technology Products
- LR 18C.03(3)

Pre-Commercial Cos

- Primary reason for listing must be to raise funds for R&D, manufacture &/or sales of Specialist Technology Product to reach HK$250M annual revenue

Minimum R&D Expenditure (as % of total operating expenditure)

- Commercial Companies - **15%**
- Pre-Commercial with revenue ≥ HK$150M - **30%**
- Pre-Commercial revenue < HK$150M - **50%**
- Thresholds met for 2 of 3 Ys pre-listing & in aggregate for all 3 Ys

Track Record

- **3 FYs** under substantially same management
- 2 FYs allowed in some circumstances

Ownership Continuity & Control

- **12 months** before listing & until offering becomes unconditional

Sophisticated Independent Investors (SIIs)

Large Asset Managers

HK$15 billion AUM or fund

Co with Diverse Investments

HK$15 billion portfolio

Tech-Focused Investors

HK$5 billion AUM fund portfolio

Specialist Technology focus

Industry Participants

Upstream or downstream participant

Meaningful market share

SIIs cannot be applicant's Core Connected Persons

Pathfinder SIIs: Indicative Benchmarks

- 2–5 SIIs
- At least 12 months pre-application
- Meet either threshold:

Shareholding Test	Investment Amount Test
• 10%+ issued share capital • At listing application date • And during preceding 12 months	• HK$1.5 B minimum • Shares or convertible securities • 12 months pre-listing application • Exclude later divestments

- In addition, at least 2 Pathfinder SIIs must:
  - each hold 3%+ of issued share capital OR
  - have invested HK$450 million each

Minimum Total SII Investment

Expected Market Cap at Listing	Total SII Investment (as % of Applicant's Issued Share Cap)	
	Commercial Companies	**Pre-Commercial Companies**
Commercial co: ≥HK$4B - <HK$15B	20%	
Pre-Commercial co: ≥HK$8B - <HK$15B		25%
≥HK$15B - <HK$30B	15%	20%
≥HK$30B	10%	15%

Convertible securities only count towards investment if converted by listing

Pre-Commercial Cos: Credible Path to HK$250M Revenue

Binding Contracts or Non-binding Framework Agreements

For development, testing or sale of Specialist Technology Product with independent customers

Having substantial contract value realisable within 24 months

→

In exceptional circumstances, contract value can be realisable after 24 months if:

with Highly Reputable Customer (e.g., State or State corporation or key market participant with meaningful market share)

→

If targeting Retail Customers: must show:

- Number of retail customers with interest in Specialist Technology Product
- Evidence (e.g., confirmed orders)

Independent Price-Setting Investors

Independent Price-setting Investors in the Placing Tranche must subscribe for **50%** of offer shares

Independent Price-setting Investors are:

- Institutional professional investors & other investors with **HK$1B** AUM, fund or investment portfolio (excluding applicant's existing shareholders, their close associates, & core connected persons)

Chapter 18C: WVR & Shareholder Participation

WVR Presumed Compliance

- Applicant that fully satisfies Chapter 18C requirements treated as meeting:
  - Innovative Company Requirements under LR Chapter 8A
  - external validation requirement under Chapter 2.2 of Guide for New Listing Applicants
- Still subject to all other Chapter 8A and Chapter 2.2 requirements

Existing Shareholders in IPO

- IPO participation prohibition does not apply to Specialist Technology Companies
- ≥10% shareholder — may subscribe as Cornerstone Investor
- <10% shareholder — may subscribe as Cornerstone Investor or placee
- Placee subscription — no preferential allocation permitted
- Cornerstone subscription — no preference beyond assured entitlement at IPO price
- Terms substantially same as other Cornerstone Investors

Anti-Dilution Rights & IPO Allocation

Anti-Dilution Rights

- Existing shareholder may exercise contractual anti-dilution right but must comply with Ch. 4.2 of Guide for New Listing Applicants
- Existing shareholder may subscribe for IPO shares exceeding pre-IPO shareholding if public float & free float requirements are met
- Allocations to core connected persons — require LR 9.09 waiver (which HKEX will ordinarily grant)

Modified Allocation & Clawback

Tranche	Oversubscription	Retail Allocation
Initial minimum	—	5% of total shares offered
Clawback trigger 1	10x – 50x	10%
Clawback trigger 2	50x or more	20%

Listing Document Disclosures

All Specialist Technology Companies

- Pre-IPO investments
- Historical & future burn rates
- Historical & future cash operating costs
- Key Specialist Technology Product — commercialisation status & prospects
- Current & expected addressable market and market share
- Business model
- R&D expenditure
- Intellectual property
- Specific & general risks
- **High investment risk warning**
- Specialist Technology Industry & acceptable sector
- SII identity, timing, shareholding & investment amount

Pre-Commercial Companies (additional)

- R&D stage for each Specialist Technology Product
- Development details by key stages & milestones
- Path to HK$250M revenue threshold
- All relevant commercialisation risks
- Potential earlier expiry of lock-up periods on removal of Pre-Commercial designation

Post-IPO Lock-Up Periods

Party	Commercial Companies	Pre-Commercial Companies
Controlling Shareholders	12 months	24 months
Key Persons Founders, WVR beneficiaries, directors, senior management, key tech & R&D personnel	12 months	24 months
Pathfinder SIIs	6 months	12 months

Continuing Obligations & Graduation

Stock Markers

"P" marker for Pre-Commercial Companies
"W" marker for WVRs

Breach of LR13.24 (adequate business & assets to justify listing)

HKEX will cancel listing if Listco does not recomply within **12 months**

(not 18 months as for Ch. 8 listed issuer)

Enhanced Reporting interim & annual reports:

- securities subject to lock-up
- Pathfinder SII holdings

and for Pre-Commercial cos:

- R&D expenditure summary
- Path to HK$250M revenue
- Warning statement - may never achieve HK$250M revenue

HKEX Consent Required

for Pre-Commercial Co to fundamentally change their principal business

Graduation to Commercial Company

If **HK$250M** annual revenue & **LR 8.05** financial test met, Listco can apply for removal of Pre-Commercial designation

Additional obligations cease to apply

Listing WVR Structures

Ch. 8A (implemented April 2018)

- WVR shares carry higher voting power
- Disproportionate governance influence
- Departure from LRs' "one share one vote" principle
- HKEX approval applied sparingly
- Other requirements in Ch. 2.2 HKEX Guide for New Listing Applicants
- WVRs only allowed for new listing applicants

Financial Eligibility for WVR Listing

- LR 8A.05: must meet one route:

Large Cap Route	**Revenue Route**
HK$40B market cap	HK$10B market cap HK$1B revenue for most recent audited FY

Innovative Company Requirements

Paragraph 4 of Chapter 2.2 of the Guide for New Listing Applicants

New Technology / Business Model

- Applicant's success must be attributable to application of new technologies, innovations and/or a new business model that distinguish it from existing market participants

R&D Contribution

R&D must be:

- Significant value driver
- Major business activity
- Major expense
- Disclose R&D spend
- Absolute terms
- % of revenue or expenses

Unique Features or IP

- Success is attributable to unique features or IP

Outsized Intangible Value

- Applicant's market cap or intangible asset value is disproportionately large relative to tangible asset value

Additional Suitability Characteristics

1 **High Business Growth Track Record**

- Must be objectively measurable by operational metrics (e.g., business operations, users, customers, revenue, profits &/or market value)
- Expected continuation of high growth

2 **WVR Beneficiary Contribution**

- Material responsibility for growth through skills, knowledge, strategic direction
- Director status alone insufficient

3 **Active Executive Role**

- Each WVR beneficiary must have active executive role and have contributed materially to business' growth
- Must be director at listing

4 **Investment from Sophisticated Third-Party**

- Meaningful prior investment
- At least one sophisticated investor
- Retained at IPO
- Sophisticated investors must retain **≥ 50%** of their total investment **≥ 6** months post-IPO

Applicants meeting all requirements of Ch. 18A or 18C are presumed to qualify as Innovative Companies under Ch. 8A

WVR Rules

Cap on Maximum Voting Rights

- 10x voting power of ordinary shares
- LR 8A.10

Non-WVR Shares

- Must be able to cast at least 10% of votes in GM
- LR 8A.09

WVR Beneficiaries

- Must be directors at listing
- All WVR Beneficiaries (together) must hold at least 10% of economic interest at listing
- LRs 8A.10 to 8A.12

No Increase Post-Listing

- In proportion of shares carring WVRs
- LR 8A.13
- In WVRs attached to a share class

On reducution in issued shares (e.g. on buy-back)

WVR Beneficiaries must reduce WVRs proportionately

WVR Rights Cease when:

WVR Beneficiary is:

- Deceased
- No longer a board member
- Deemed incapacitated by HKEX
- Deemed ineligible to be director by HKEX

On:

- Transfer of beneficial ownership, economic interest or voting control
- LR 8A.18

Lien, pledge, charge or encumbrance over WVR shares is **not** a transfer of legal title or beneficial ownership

Governance Requirements

Corporate Governance Committee

- INEDs only
- INED chair
- Annual WVR review
- Conflict monitoring
- Reporting half yearly & annual
- LR 8A.30

Nomination Committee

- INED chair
- Majority INEDs
- Responsible for director appointments
- If no committee, Listco must announce reason & comply within 3 months

Permanent Compliance Adviser

- Appoint at listing
- LR 8A.33
- Consult on WVR matters, WVR Beneficiary transactions, & if potential conflict between Listco and WVR Beneficy

INEDs must be subject to retirement by roatation every 3 years & are eligible for re-appointment

Matters Requiring One Share, One Vote

Constitutional Changes

Constitutional document changes

Class Rights

Variation of rights of share class

INED Appointments

INED appointment or removal

Auditors

Auditor appointment or removal

Winding-Up

Voluntary winding-up

Warning Statement in All Documents

"A company controlled through weighted voting rights"

Overseas Issuers & Defined Terms

Qualifying Issuer

Overseas issuer listed on a **Qualifying Exchange** (NYSE, Nasdaq, London SE Premium Segment)

Greater China Issuer

Qualifying Issuer with its centre of gravity in Greater China

Non-Greater China Issuer

Qualifying Issuer not having its centre of gravity in Greater China

Grandfathered Greater China Issuer

Greater China Issuer primary listed on Qualifying Exchange before **15 December 2017** or after that date but before **30 October 2020** and controlled by corporate WVR beneficiaries at 30 October 2020

Overseas Issuers: WVR Exemptions & VIE Structures

WVR Rule Exemptions

LRs 8A.07–8A.36, 8A.43 & 8A.44 do not apply to:

- Grandfathered Greater China Issuers & Non-Greater China Issuers with WVR structure seeking Dual primary listing under Ch 19 but they must satisfy LR 8A.06 & have 2 full years good regulatory compliance on primary Qualifying Exchange
- Grandfathered Greater China Issuers & Non-Greater China Issuers with WVR structure seeking secondary listing under Ch 19C

LR 8A.04 market cap requirement & Innovative Company requirements do not apply to Qualifying Issuers seeking secondary listing under Chapter 19C

VIE Structures

- Grandfathered Greater China & Non-Greater China Issuers may retain existing contractual arrangements provided there was no substantial change after listing on Qualifying Exchange
- Must provide legal opinion confirming compliance with relevant laws
- Must comply with Chapter 4.1 disclosure requirements
- Exchange assesses case-by-case & has regard to: departure from standard arrangements, materiality of operations, reasons for adoption

Breach of LR Ch. 8A

- Trading halt or suspension of dealings
- Cancellation of listing
- Disciplinary sanctions
- HKEX withholding of approval for new listings or circulars until remedied

Listing Reforms 24.07.2026

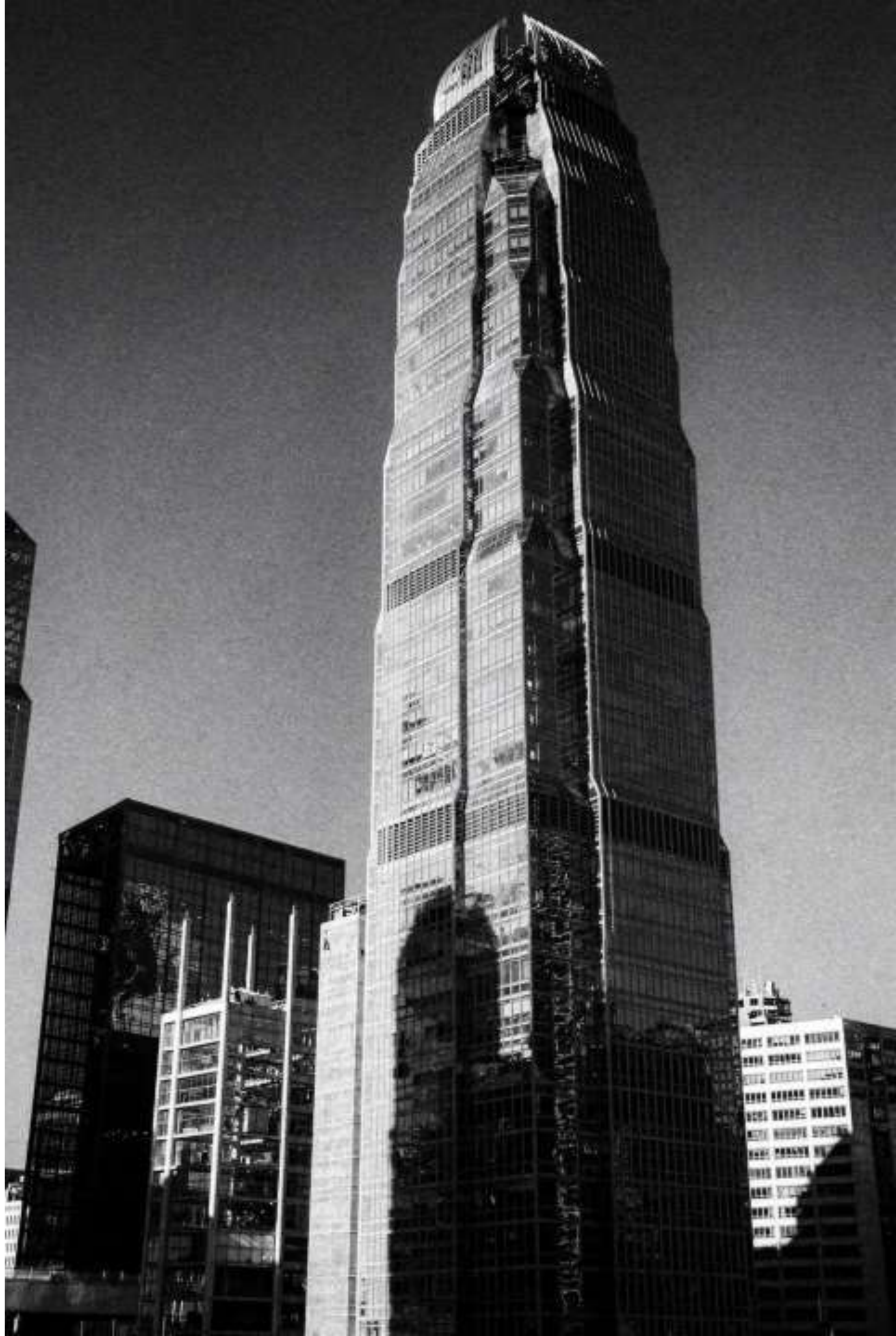
- Consultation Conclusions published & revised Listing Rules effective 24 July 2026

- HKEX Guide for New Listing Applicants Revised

- Response to intensifying global listing competition & US-driven pressure

- Aim: Retain competitivness & broader listed company diversity

- WVR issuers made up (at the time of the Consultation Paper):
  - 1.2% of HKEX listed issuers by number
  - 14.7% of HKEX listed issuers by market cap



WVR Financial Threshold Reductions — Effective 24 July 2026

Market Cap Test

Previous		New (effective 24 July 2026)
HK$40 billion	→	HK$20 billion

50% reduction — adopted without change to the March 2026 proposal

Market Cap + Revenue Test

Previous		New (effective 24 July 2026)
HK$10 billion market cap + HK$1 billion revenue	→	HK$6 billion market cap + HK$600 million revenue

40% reduction in each threshold — adopted without change to the proposal

WVR Ratio Cap: Up to 20:1

- Increased WVR ratio cap to up to 20:1 (from previous maximum 10:1) for applicants with HK$40B market cap at listing (i.e., large-cap issuers only)
- Closer alignment with US and UK
- 3 Grandfathered Greater China Issuers with secondary or dual primary listings already have ratios of 15:1 or 20:1 listings

Relaxation does not apply to existing WVR issuers - they continue to be prohibited from increasing votes attached to WVR shares

Minimum Underlying Economic Interest

Percentage Floor	**Absolute Value Floor**
Minimum **5%** collective economic interest	Minimum **HK$4 billion** economic interest

- Effective 24 July 2026, HKEX has codified this discretion (market cap HK$4B+). Now termed the "minimum underlying economic interest"; issued share capital excludes treasury shares

New Innovative Company Requirements — Effective 24 July 2026

Route A — New Technologies Route: Applicant adopts Technologies that are novel or essential to novelty of core business

Applicant must satisfy the Novelty Characteristic & demonstrate > 1 of following "innovative" characteristics:

1. R&D is contributes significantly to applicant's expected value & is a major activity & expense
2. Its success is attributable to its IP
3. It has outsized market cap or intangible asset value relative to tangible asset value

Route B — New Business Model Route: Applicant's success attributable to application of a new business model to its core business

Not necessarily technology enabled

Applicant must meet Novelty Characteristic & have:

- **30%** compound annual growth rate (CAGR) in revenue
- Relatively prominent industry position

Novelty Characteristic - being the first mover in the applicant's industry - has, with effect from 24 July 2026, been amended to confirm that an applicant may be **one of the first few to adopt the technology** (**Route A**) or **business model** (**Route B**)

- Must be demonstrated for both Routes
- HKEX will assess this case-by-case and publish illustrative listing decisions

Presumed Innovative Company Status under Route A

Qualified Biotech Applicants

- Core Product commercialised
- R&D in 12 months before listing
- Own related IP

Qualified Specialist Technology Applicants

- Specialist Technology Product(s) commercialised
- LR18C.04 R&D expenditure test met under

- Still need company success & external validation
- HKEX has adopted further guidance on "sophisticated investor" for external validation
- Route B: sophisticated investors must together hold shares (or convertibles) = 10% of issued shares at listing (no per-investor minimum); lower % accepted above HK$20B market cap. Route A: one investor suffices if more than token, no set minimum

Secondary Listing
Threshold Reductions — Effective 24 July 2026

Listing Type	Previous Threshold	New Threshold
Secondary listing — WVR companies	• HK$40B market cap OR • HK$10B market cap & HK$1B revenue	• HK$20B market cap OR • HK$6B market cap & HK$600M revenue
Secondary listing — non-WVR (large cap)	HK$10B market cap	HK$6B market cap
Secondary listing — non-WVR (standard)	HK$3B + 5-year track record	HK$3B + 5-year track record (unchanged)

Commercialised Biotech & Specialist Technology Applicants

- Commercially active Biotech Companies & Specialist Technology Companies ("Eligible Specialist Companies") can now list under Ch 18A or 18C even if eligible under Ch 8
- Removed requirement to convert to Ch 8 once financial tests are met. Pre-revenue safeguards (SII investment, warning statement, use of proceeds, remedial period) disapplied; WVR listings still need full Ch 8A suitability assessment
- Flexibility to choose preferred listing framework

Expanded Use of US GAAP

Removal of Reversion Requirement

Removed US delisting reversion to **HKFRS or IFRS**

Removed requirement for Reconciliation Statement

in unaudited financial statements to be reviewed by auditors

Expanded Eligibility

US GAAP now permitted for:

- Subsidiaries of US-listed parent
- Listcos with substantial US operations

Ownership Continuity & Control: Codified Guidance — Effective 24 July 2026

- Codified existing guidance — long-standing practice, not a new requirement
- Clarifies that ownership continuity & control requirement is satisfied if:
  - No material change in influence on management in relevant period despite ownership change

To address concerns re. packaging of businesses before listing; HKEX retains discretion to reject on genuine concerns

Comparing the 3 Regimes

Feature	**Chapter 18A Biotech**	**Chapter 18C Specialist Tech**	**Chapter 8A WVR**
Min Market Cap	HK$1.5B	HK$6B Commercial HK$10B Pre-Commercial	HK$40B HK$10B + HK$1B revenue
Revenue Required	No	HK$250M - Commercial None - Pre Commercial	HK$1B if market cap below HK$40B
Track Record	2 years	3 years	3 years standard
Stock Marker	B	PC - Pre Commercial W - WVR	W
LR 13.24 Re-compliance Period	12 months	12 months	18 months

Key Takeaways

Chapter 18A

Pre-revenue Biotech Cos: HK$1.5B market cap; 125% working capital; Core Product milestones; 91 listings at June 2026

Chapter 18C

Specialist Technology Cos: Commercial Cos - HK$6B market cap; Pre-commercial Cos - HK$10B market cap; R&D & SII

Chapter 8A

WVRs: Market cap of HK$40B or HK$10B & HK$1B revenue; Innovative Company Requirements;

Reforms Effective 24 July 2026

WVR thresholds halved 20:1 cap; Ch 18C Route B business model innovators; US delistings