Cross-Border Listings Guide - Hong Kong Stock Exchange (GEM)

Specific situations

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# Specific situations

[Last updated: 1 January 2024, unless otherwise noted]

*Large companies*. The financial criteria for companies with a large market capitalization are different from smaller companies. These differences include acceptance of a lower percentage of public float (between 15% and 25%) for issuers with an expected market capitalization of over HK$10 billion (approximately US$1.28 billion) at the time of listing, compared with the usual 25% as described in section 2 above.

*Small companies*. There are no additional requirements, or changes in the normal requirements, that apply to smaller companies listing on GEM.

*Specific industries*. Companies in certain industries are subject to modified listing and maintenance rules. For example, mineral companies, infrastructure companies and PRC companies have separate sections or chapters in the GEM Listing Rules which are dedicated to each of these types of companies. In addition, the HKSE may accept a shorter trading record period and/or may vary or waive the ownership and management requirements for mineral companies or newly formed project companies (infrastructure projects). Where the HKSE accepts a trading record of less than two financial years, the applicant must nevertheless still meet the cash flow requirement of HK$30 million (approx. US$3.84 million) for that shorter trading record period.

The HKSE has the discretion to determine whether a particular company is suitable for listing in Hong Kong. In general, an issuer whose assets consist wholly or substantially of cash or short-term investments will not be regarded as suitable for listing, except for cash or short-term investments held by a member company that is a banking company, an insurance company or a securities house.

*"Fast track" listings*. The HKSE does not have a "fast track" or expedited listing procedure. However, for cases where all the necessary information is already available, the listing process could be much shorter than usual.

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