

Operational Review

Corporates

Listing applications

Our oversight of listing matters includes vetting of listing applications. During the quarter, 36 applications were submitted for vetting, including one from a company with a weighted voting rights structure under Chapter 8A of the Listing Rules, four from pre-profit biotech companies and two special purpose acquisition companies. One company achieved secondary listing on the Main Board under Chapter 19C of the Listing Rules. Two overseas listed companies achieved dual-primary listing on the Main Board.

Exercising our powers under the Securities and Futures (Stock Market Listing) Rules, we issued two requisition letters directly to two listing applicants during the quarter. Amongst our concerns were the genuineness of the business and financial information of the listing applicants.

Specialist technology companies

After discussion with the SFC, the Stock Exchange of Hong Kong Limited (SEHK) launched a public consultation in October on proposals to introduce a new regime to facilitate the listing of specialist technology companies which cannot meet the current revenue or profit track record requirements. SEHK initially identified five target specialist technology industries: (i) next-generation information technology; (ii) advanced hardware; (iii) advanced materials; (iv) new energy and environmental

protection and (v) new food and agriculture technologies. The consultation ended in December and we are working closely with SEHK to formulate a regulatory framework suitable for Hong Kong, taking into account market feedback.

Paperless initiative

We work closely with SEHK on its initiatives to reduce the use of paper in listing applications and the post-listing corporate communications of issuers. In December, SEHK published a consultation paper on proposals to expand the paperless listing regime. The consultation period ended on 28 February 2023.

Corporate conduct

We conduct daily reviews of corporate announcements to identify potential misconduct and irregularities. During the quarter, we issued section 179¹ directions to gather additional information in 11 cases.

Takeovers matters

The Takeovers Executive publicly criticised Gold Dragon Worldwide Asset Management Limited in October for failing to disclose multiple dealings in the shares of Shanghai Dongzheng Automotive Finance Co., Limited during an offer period, breaching the dealing disclosure requirements under the Takeovers Code.

In November, we published a new practice note 24 regarding the appointment of receivers and liquidators and when to commence offer periods.

¹ Section 179 of the Securities and Futures Ordinance gives the SFC the power to compel the production of records and documents from persons related to a listed company.

Corporates

Listing applications and takeovers activities

	Quarter ended 31.12.2022	Nine months ended 31.12.2022	Nine months ended 31.12.2021	YoY change (%)
Listing applications	36	134	238	-43.7
Takeovers and share buy-backs transactions	81	241	319	-24.5