

Operational Review

Corporates

Gatekeeping listing applications

During the quarter, we processed 154 listing applications, of which we cleared 53. This included 50 new listing applications, comprising one from a company with a weighted voting rights structure under Chapter 8A of the Listing Rules, five from pre-profit biotech companies and one from a specialist technology company. One overseas listed company 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 accuracy and completeness of the information in the listing application documentation and the sufficiency of the sponsors' independent due diligence work.



154

listing applications processed¹



Average processing time²:

94

business days³

Paperless listing regime

Following the SFC's approval, the Stock Exchange of Hong Kong Limited (SEHK) in June 2023 published the conclusions to its public consultation on proposals to expand the paperless listing regime along with Listing Rules amendments which will take effect on 31 December 2023.

¹ Including 50 new listing applications and 104 cases brought forward from the previous reporting period.

² Including SFC vetting time and response time by the listing applicants or their advisers.

³ For the 53 listing applications cleared.

Corporates

Overseas listings by Mainland enterprises

In February 2023, the China Securities Regulatory Commission (CSRC) published new regulations for a filing regime to require Mainland enterprises to register their direct and indirect overseas listings and securities offerings with the CSRC. At the same time, it was announced that the Special Regulations on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies and the Mandatory Provisions for the Articles of Association of Companies Listing Overseas would be repealed with effect from 31 March 2023. Subsequently, SEHK conducted a consultation on proposed amendments to the Listing Rules to reflect these changes. The consultation period ended in March 2023 and the consultation conclusions were published in July 2023.

Takeovers and Share Buy-backs

In May, we launched a consultation on proposed amendments to the Codes on Takeovers and Mergers and Share Buy-backs which mainly clarify some provisions and codify existing practices of the Takeovers Executive. The consultation paper also introduced initiatives to reduce the environmental impact of documents published under the Codes. The consultation ended in June and a conclusions paper will be published in due course.

Tackling corporate misconduct

We conduct daily reviews of corporate announcements to identify potential misconduct and irregularities. During the quarter, we issued section 179 directions⁴ to request for information in 16 cases.

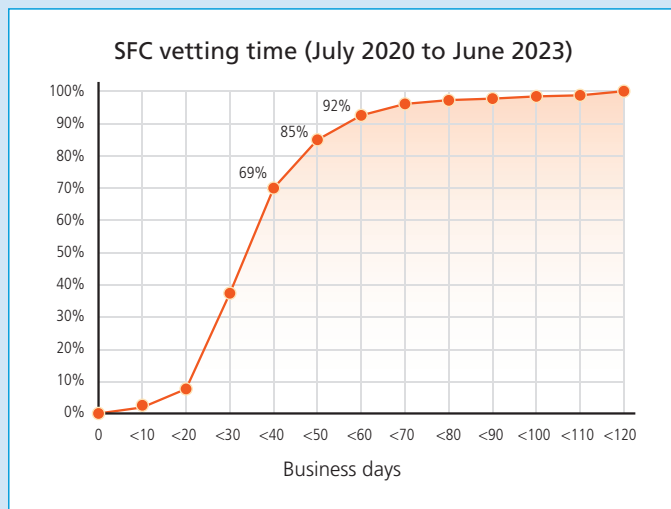
Listing applications and takeovers activities

	Quarter ended 30.6.2023	Quarter ended 31.3.2023	Change (%)	Quarter ended 30.6.2022	YoY change (%)
Listing applications	50	46	8.7	69	-27.5
Takeovers and share buy-backs transactions	66	64	3.1	79	-16.5

Vetting time of listing applications

During the three years ended 30 June 2023, we cleared 389 cases, and 92% of these were cleared in less than 60 business days.

Note: In the chart, "SFC vetting time" refers to the total number of business days we spent to process and clear a listing application, which includes a number of rounds of comments. The figure excludes the response time of the listing applicants or their advisers.



⁴ 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.

