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HKEX News Update: Consultation Conclusions on GEM Listing Reforms

On 15 December 2023, the Stock Exchange published Consultation Conclusions to its Consultation Paper regarding proposed GEM listing reforms.

The key proposals adopted include:

- Introducing a **new streamlined transfer mechanism** to enable eligible GEM issuers to transfer to the Main Board without the need to appoint a sponsor to carry out due diligence or produce a "prospectus-standard" listing document;
- Introducing a **new alternative "market capitalization / revenue / R&D test"** for an initial listing on GEM that targets high growth enterprises heavily engaged in research and development ("**R&D**") activities;
- Reducing the **post-IPO lock-up period** imposed on GEM issuers' controlling shareholders to 12 months;
- Removing **mandatory quarterly reporting requirements**, instead introducing it as a recommended best practice in GEM's Corporate Governance Code; and
- Aligning **GEM's periodic reporting timeframes** for annual reports, interim reports, and preliminary announcement of results for the first six months of each financial year with the relevant timeframes under the Main Board.

The related amended GEM Listing Rules and Main Board Listing Rules will come into effect on 1 January 2024.

To view the full details, please click HERE.