

China A-share

Highlights of listing requirements

Main Board, Sci-Tech Innovation Board (STAR), ChiNext

	Main Board	Sci-Tech Innovation Board	ChiNext
Industry and business	<p>The Main board highlights the features of "large market blue chip" and focuses on supporting high-quality companies with mature business models, stable business performance, large scale, and industry representation.</p>	<p>Facing the forefront of world science and technology, facing the main battlefield of the economy, and facing major national needs, the STAR market give priority to support companies that comply with national strategies, possess key core technologies, have outstanding technological innovation capabilities, mainly rely on core technologies for production and operation, have stable business models, high market recognition, good social image, and strong growth potential.</p> <p>The STAR market focuses on supporting high-tech industries and strategic emerging industries, including new generation information technology, advanced equipments, new materials and energy, energy conservation, environment protection, and biomedicine.</p> <p>Fintech and model innovation companies are restricted to apply for a listing on the STAR market.</p> <p>Real estate and companies mainly engaged in financial and investment businesses are prohibited to apply for a listing on the STAR market.</p>	<p>ChiNext deeply implements the innovation driven development strategy, adapts to the trend of development relying more on innovation, creativity, and originality, mainly serves growth oriented innovation and entrepreneurship enterprises, and support the deep integration of traditional industries with new technologies, new industries, new business forms, and new models.</p> <p>In principle, industries not encouraged to apply for a listing on ChiNext include agriculture, forestry, animal husbandry and fisheries; mining; alcohol, beverage and tea manufacturing; textiles; ferrous metal smelting and rolling processing industry; electricity, power, gas and water production and supply; construction; transportation, warehousing and postal; accommodation and catering; financing; real estate; residential services, repairs and other services; except for innovative companies deeply integrated with new technologies, new industries, new business forms and new models, such as internet, big data, cloud computing, automation, artificial intelligence, new energy, etc.</p> <p>Industries with overcapacity, eliminated industries listed in the "Guiding Catalogue for Industrial Structure Adjustment", and enterprises engaged in preschool education, subject training, and financial services are prohibited to apply for a listing on ChiNext.</p>

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Eligibility of STAR and ChiNext Company	—	<p>Companies in the encouraged industries need to meet all following 4 criteria:</p> <ol style="list-style-type: none"> research and Development (R&D) expenditures are not less than 5% of the revenue for the last three years, or total R&D expenditures for the last three years are not less than RMB60 million; (Note 1) the proportion of R&D personnel in the total number of employees in the current year shall not be less than 10%; owning 5 or more invention patents applied to the company's main business; (Note 1) compound annual growth rate of revenue for the last three years is not less than 20%, or revenue of last year is RMB300 million or more. (Note 2) <p>Note 1: Software companies are not subject to criteria (iii) above and its R&D expenditures should be not less than 10% of the revenue for the last three years.</p> <p>Note 2: Criteria (iv) above is not applicable to companies using the fifth financial and market capitalisation criteria in below section or overseas listed red-chip companies which apply a listing on STAR market according to relevant regulations such as the "Several Opinions on Conducting Pilot Projects for Domestic Issuance of Stocks or Depositary Receipts by Innovative Enterprises".</p> <p>If companies in the encouraged industries do not meet the above requirements, they need to meet one of following criteria:</p> <ol style="list-style-type: none"> core technology owned by the companies have been recognised by main national departments as being internationally advanced, leading in the industry, or significantly valuable to national strategy; awarded with National Prize for Progress in Science and Technology, National Prize for Natural Science, National Prize for Technological Invention, where the company or its core technology employees are involved as main contributors in the technology development, and such technology has been applied to the main business of the company; solely implementing or leading National Science and Technology Major Project which is related to the main business or core technology of the company; the main products (services) that utilise the core technology of the company are the key equipment, key products, key parts, or key materials that are encouraged and supported by the country, and have replaced imported goods; more than 50 invention patents (including national defense patents) that have formed core technologies and been applied to the main business. 	<p>Support and encourage growth oriented innovation and entrepreneurship companies that meet one of the following criteria:</p> <ol style="list-style-type: none"> compound growth rate of R&D expenditures for the last three years is no less than 15%, R&D expenditures for the last year are not less than RMB10 million, and the compound growth rate of revenue for the last three years is not less than 20%; the total R&D expenditures for the last three years are not less than RMB50 million, and the compound growth rate of revenue for the last three years is not less than 20%; it belongs to the fields of modern industrial systems such as manufacturing optimisation and upgrading, modern service industry, or digital economy, and the compound growth rate of revenue for the last three years is not less than 30%. <p>Companies with revenue more than RMB300 million for the last year, or overseas listed red-chip companies that have applied for a listing on ChiNext according to relevant regulations such as the "Several Opinions on Conducting the Pilot Project of Domestic Issuance of Stocks or Depositary Receipts by Innovative Enterprises", are not subject to the requirement of compound growth rate of revenue.</p>

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Financial and market capitalisation criteria	<p>Meet at least one of the following criteria:</p> <p>i continuous profit making + cash flows/revenue</p> <ul style="list-style-type: none"> positive net profit for each of the last three years with total amount no less than RMB150 million, net profit for the last year of no less than RMB60 million; and total net operating cash flows of no less than RMB100 million for the last three years or total revenue of no less than RMB1 billion for the last three years <p>ii market cap + revenue + cash flow + profit</p> <ul style="list-style-type: none"> estimated market cap of no less than RMB5 billion; positive net profit for the last year; revenue of no less than RMB600 million for the last year; and total net operating cash flows of no less than RMB150 million for the last three years <p>iii market cap + revenue + profit</p> <ul style="list-style-type: none"> estimated market cap of no less than RMB8 billion; positive net profit for the last year; and revenue of no less than RMB800 million for the last year <p>*The net profit refers to the lower of the net profit before or after non-recurring gains or losses.</p>	<p>Meet at least one of the following criteria :</p> <p>i market cap + continuous profit making, or market cap + profit + revenue</p> <ul style="list-style-type: none"> estimated market cap of no less than RMB1 billion and positive net profit for each of the last two years with total amount no less than RMB50 million, or estimated market cap of no less than RMB1 billion, positive net profit for the last year and revenue of no less than RMB100 million for the last year <p>ii market cap + revenue + R&D</p> <ul style="list-style-type: none"> estimated market cap of no less than RMB1.5 billion; revenue of no less than RMB200 million for the last year; and total R&D expenditures (including expensed and capitalised) for the last three years representing no less than 15% of total revenue within such years <p>iii market cap + revenue + cash flow</p> <ul style="list-style-type: none"> estimated market cap of no less than RMB2 billion; revenue of no less than RMB300 million for the last year; and total net operating cash flows of no less than RMB100 million for the last three years <p>iv market cap + revenue</p> <ul style="list-style-type: none"> estimated market cap of no less than RMB3 billion; and revenue of no less than RMB300 million for the last year <p>v market cap + technology</p> <ul style="list-style-type: none"> estimated market cap of no less than RMB4 billion; main businesses or products approved by relevant national government authorities, will have a big market and currently have achieved a milestone progress. for pharmaceutical companies, at least one of its core products approved for phase II clinical trial, and in the case of any other eligible companies, possess significant superiority in technology and meet the corresponding requirements. for medical device companies, need to comply with the requirements of the "Guidelines for the Application of the Shanghai Stock Exchange Science and Technology Innovation Board Listing Review Rules No. 7- Application of the Fifth Set of Listing Criteria for Medical Device Enterprises" in terms of stage achievements, market space, technological advantages, continuous operation ability, information disclosure, etc. <p>*The net profit refers to the lower of the net profit before or after non-recurring gains or losses.</p>	<p>Meet at least one of the following criteria:</p> <p>i continuous profit making</p> <ul style="list-style-type: none"> positive net profit for each of the past two years, with total net profits of no less than RMB50 million for the last two years <p>ii market cap + profit + revenue</p> <ul style="list-style-type: none"> estimated market cap of no less than RMB1 billion; positive net profit for the last year; and revenue of no less than RMB100 million for the last year <p>lii market cap + revenue</p> <ul style="list-style-type: none"> estimated market cap of no less than RMB5 billion; and revenue of no less than RMB300 million for the last year <p>*The net profit refers to the lower of the net profit before or after non-recurring gains or losses.</p>

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Applicant qualification – incorporated in the PRC	The joint-stock limited-liability company shall be established according to law and operate for a continuous period of at least 3 years. Where a limited liability company is wholly converted into a joint-stock limited company according to the original book value of its net assets, the continuous operating period shall be calculated from the date the limited liability company is established. And having a sound and well functioning organisational structure, relevant institutions and personnel can perform their duties in accordance with the law.		
Financial compliance	Accounting system shall have met the regulatory requirements; the issuer's basic accounting work and the preparation of its financial statements shall have complied with the Accounting Standards for Business Enterprises and the relevant rules of information disclosures, and shall have fairly reflected in all material respects of issuer's financial position, the results of operations and cash flows, and the issuer shall have obtained an unqualified audit report issued by qualified accountants. Internal control system of the issuer is comprehensive and effectively implemented, and give reasonable assurance on the reliability of the efficiency and compliance of the issuer's business operation and validity of its financial reporting, with an unqualified opinion on internal control issued by qualified accountants.		
Public shareholding	<ul style="list-style-type: none"> Companies incorporated in the PRC <p>25% or more of its total shares is to be issued by IPO; or 10% or more of its total shares is to be issued by IPO if its total share capital exceeds RMB400 million.</p> <ul style="list-style-type: none"> Red-chip companies <p>Issue shares: 25% or more of its total shares is to be issued by public offering; or 10% or more of its total shares to be issued by public offering if its total number of shares exceeds 400 million shares.</p> <p>Issue depositary receipts: The underlying basic shares corresponding to depositary receipts issued by public offering shall account for more than 25% of the total number of shares in the company; If the total number of depositary receipts after issuance exceeds 400 million receipts, the underlying basic shares corresponding to depositary receipts issued by public offering shall reach more than 10% of the total shares of the company.</p>		
Continuous operation ability	There are no major ownership disputes involving major assets, core technologies, trademarks, etc., major debt repayment risks, major contingencies such as guarantees, litigation, arbitration, etc., or significant changes in the business environment that have or will have a significant adverse impact on the continued operation.		
Independence	Integrity of assets; Independence of business, personnel, finance, and organisation; No business competition with controlling shareholders, de facto controlling shareholders, and other companies under their control that poses a significant adverse impact on the issuer; No related party transactions that seriously affect independence or are obviously unfair.		
Legal compliance	Business operation shall have complied with certain laws, regulations and industrial policies in PRC. During the last three years, there shall have been no criminal offenses including corruption, bribery, misappropriation of property, or disruption of the socialist market economy order committed by the issuer, its controlling shareholder or de facto controlling shareholder. No significant breach of law shall been made, including fraudulent offerings, breaches of disclosure rules or other areas related to national security, public security, eco security, production safety, public health, etc. There shall have been no circumstances, the director, supervisor or key management are subject to administrative punishments by the China Security Regulatory Commission (CSRC) or investigated by judicial organ for suspected crime or by the CSRC for suspected misconduct or breach of law, where no definitive and conclusive opinions have been issued.		
Share capital	For companies incorporated in the PRC, the total amount of share capital after issuance shall not be less than RMB50 million. For red-chip companies, the total number of shares/depositary receipts after issuance shall not be less than 50 million shares/receipts.	For companies incorporated in the PRC, the total amount of share capital after issuance shall not be less than RMB30 million. For red-chip companies, the total numbers of shares/depositary receipts after issuance shall not be less than 30 million shares/receipts.	

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Stability of management team	No significant adverse changes in directors or senior management in the last 3 years	No significant adverse changes in directors, senior management or core technical personnel in the last 2 years	No significant adverse changes in directors or senior management in the last 2 years
Stability of main business	No significant adverse changes in the main business in the last 3 years	No significant adverse changes in the main business in the last 2 years	
Stability of controlling right	The ownership of shares is clear, and there are no major ownership disputes that may lead to a possible change in control. The de facto controlling shareholder has not changed in the last 3 years.	The ownership of shares is clear, and there are no major ownership disputes that may lead to a possible change in control. The de facto controlling shareholder has not changed in the last 2 years.	
Requirements for issuers with weighted voting rights (WVR) structure	Meet at least one of the following criteria: <ul style="list-style-type: none"> estimated market cap of no less than RMB20 billion, and positive net profit for the last year estimated market cap of no less than RMB10 billion, positive net profit and revenue of no less than RMB1 billion for the last year 	Meet at least one of the following criteria: <ul style="list-style-type: none"> estimated market cap of no less than RMB10 billion; estimated market cap of no less than RMB5 billion, and revenue of no less than RMB500 million for the last year 	
Requirements for red-chip companies	<p>Red-chip companies, which comply with the relevant regulations including “the Notice of the General Office of State Council on Forwarding the Opinions of the CSRC on launching the Pilot Program of Offering Stocks or Depositary Receipts in China by Innovative Enterprises”, can apply to issue shares or depositary receipts and listing on A-share market. Those companies need to satisfy the national strategy with core technology and high market recognition, and belong to industries such as internet, big data, cloud computing, artificial intelligence, software and integrated circuits, advanced equipment manufacturing, biomedicine, new generation of information technology, new energy, new materials, new energy vehicles, green environmental protection, aerospace, marine equipment etc. with enhanced technology and considerable market size scale (Note: red-chip companies with great national strategic significance are not subject to the restrictions of the above industries).</p> <p>Market capitalisation and financial indicators requirements:</p> <p>i. for companies already listed abroad, to meet at least one of the following criteria:</p> <ol style="list-style-type: none"> market cap of no less than RMB200 billion; market cap of no less than RMB20 billion, with independently developed and internationally leading technologies, strong ability for technology innovation and relative competitive edge over its peers <p>ii. for unlisted companies, to meet at least one of the following criteria:</p> <ol style="list-style-type: none"> revenue of no less than RMB3 billion, and the estimated market cap is not less than RMB20 billion (only applicable to the Main board); or for companies with fast growing revenue (note 1), independently developed and internationally leading technologies, and relative competitive edge over its peers, shall at least meet one of the following criteria: <ul style="list-style-type: none"> estimated market cap of no less than RMB10 billion; estimated market cap of no less than RMB5 billion, and revenue of no less than RMB500 million for the last year <p>Note 1: To fulfil “fast growing revenue” requirement, companies shall meet one of the following criteria:</p> <ul style="list-style-type: none"> the compound growth rate of revenue for the last three years is not less than 10%, if revenue is not less than RMB500 million for the last year; the compound growth rate of revenue for the last three years is not less than 20%, if revenue is less than RMB500 million for the last year; the compound growth rate of revenue for the last three years is higher than the average growth rate of competing companies in the same industry, if the industry is at a declining stage in the life cycle due to the periodic fluctuation <p>The “fast growing revenue” requirement is not applicable to red-chip companies in R&D stage or valuable to national innovative development strategy.</p> <p>There are special requirements for the preparation of financial information for red-chip companies.</p>		