



Workshops for Listing on HKEX

(April to July 2019)

The Hong Kong Exchanges and Clearing (HKEX) ranked first globally in IPO fundraising five times in the past nine years and has over HK\$2tn in IPO funds raised by issuers over the past nine years. Currently, there are more than 2,100 companies listed on HKEX, including international and Mainland Chinese companies.

This series of “Workshops for Listing on HKEX” covers preliminary planning and pre-IPO considerations, IPO process, as well as the continuing obligations of a listed entity with the objective of enhancing participants’ understanding of the key aspects for listing, merger and acquisition of listed/ listing entities on the HKEX, etc. Each session will cover the key points of the listing rules, guidance letters, listing decisions, other relevant rules and regulations and examples of published prospectus and circulars. The speakers will also share their practical experience on specific topics and common application issues.

Part I: Listing on HKEX		
Topic/ Programme code	Date and time	Speakers
Session 1: Financial Performance and Management Team Consideration for Listing (WSHP19042702)	Saturday, 27 April 2019 9:00 a.m. – 1:00 p.m.	Mr. Vincent Li
Session 2: Business Models and Mode of Operations for Listing (WSHP19042703)	Saturday, 27 April 2019 2:00 p.m. – 6:00 p.m.	
Session 3: Common HK Legal Issues for Listing (WSHP19052501) FULL	Saturday, 25 May 2019 9:00 a.m. – 1:00 p.m.	Mr. Henry Cheng Ms. Maisie Yeung
Session 4: Common PRC Legal and Tax Issues for Listing (WSHP19052502) FULL	Saturday, 25 May 2019 2:00 p.m. – 6:00 p.m.	Dr. Angus Ho Mr. Ray Liu Mr. Wei Pei
Session 5: Group Structure for Listing and Reorganisation (WSHP19062201) FULL	Saturday, 22 June 2019 9:00 a.m. – 1:00 p.m.	Mr. Vincent Li
Session 6: Common Valuation and Internal Control Issues for Listing (WSHP19062202) FULL	Saturday, 22 June 2019 2:00 p.m. – 6:00 p.m.	Mr. Vincent Pang Mr. Vincent Li Ms. Gloria So
Session 7: Preparing Accountants' Reports and Financial Forecast Reports (WSHP19062901) FULL	Saturday, 29 June 2019 9:00 a.m. – 1:00 p.m.	Mr. Vincent Li
Session 8: Prospectus and Related Documents for Listing (WSHP19062902)	Saturday, 29 June 2019 2:00 p.m. – 6:00 p.m.	



Part II: Post-listing obligations

Topic/ Programme code	Date and time	Speakers
Session 1: Continuing Obligations, Listing Documents, Sufficient Assets and Operations I (WSHP19072701) FULL	Saturday, 27 July 2019 9:00 a.m. – 1:00 p.m.	Mr. Vincent Li
Session 2: Continuing Obligations, Listing Documents, Sufficient Assets and Operations II (WSHP19072702) FULL	Saturday, 27 July 2019 2:00 p.m. – 6:00 p.m.	
<i>The workshops cover guidance notes and listing decisions, relevant rules and regulations and published prospectus issued on or before 31 December 2018, as appropriate.</i>		

Venue	CityU SCOPE Admiralty Learning Centre UR8, 8/F United Centre, 95 Queensway, Admiralty, Hong Kong	
Language	Cantonese	
Fee	HKICPA member or student:	HK\$480
(For each session)	IA/ HKIAAT member or student:	HK\$480
	Non-member:	HK\$780
Competency*	Corporate finance; Accounting and financial reporting; Corporate governance	
Rating*	Intermediate level	
CPD hours	4	
(for each session)		

* Please refer to the [Institute's online CPD Learning Resource Centre](#) for descriptions of competency and rating.



About the programme

Part I: Listing on HKEX

Session 1: Financial Performance and Management Team Consideration for Listing (WSHP19042702)

This workshop focuses on the basic methods of listing, the financial and other principal requirements for listing on HKEX. Topics include:

- The performance and recent development of Hong Kong stock market in 2018
- Methods of listing, such as offer to the public; Offer for subscription and sale; Placing; Introduction; Secondary listing; Depositary receipt; PN 15; Spin-off and listing of companies with weighted voting rights
- General principles for listing on HKEX
- The consideration and guidance for: IPO vetting and suitability for listing; Suitability of directors and controlling shareholders; Material non-compliance incidents; Deteriorating financial performance; Reliance on parent group, connected persons and major customers; And the captive business model
- Financial requirements for listing on HKEX, three financial tests requirements and interpretation and application of the Main Board Listing Rule 8.05, etc
- Definition, guidance and requirements for controlling shareholders
- Ownership and management continuity; Identifiable group of individuals; One dominant individual; And two separate groups of controlling shareholders, etc

Session 2: Business Models and Mode of Operations for Listing (WSHP19042703)

This workshop focuses on how to evaluate and assess the nature of business for a listing applicant. Topics include:

- The nature and characteristics of different business modes and regulatory guidance for specific industries, such as:
 - Restaurant operation
 - Forfeited income business
 - Distributorship business
 - Pawn Loan business
 - Biological assets
 - Mineral companies
 - Gambling activities
 - Biotech companies
- Sustainability, reliance, illegality, trends and patterns of an entity

Session 3: Common HK Legal Issues for Listing (WSHP19052501)

This workshop focuses on the common legal issues and consideration for listing on HKEX. Topics include:

- Briefly discuss the listing timetable and key milestones on listing:
 - Phase I Evaluation Stage: (1) Things to do at first stage; (2) Basic listing qualifications; (3) Management continuity; (4) Ownership continuity; (5) Public float/ market capitalization requirements; (6) Jurisdictional issues; and (7) Other key listing requirements
 - Phase II Preparation Stage: (1) Due diligence and verification; (2) Prospectus; (3) A1 documents; And (4) HKEX related issues
 - Phase III Review Stage: Major issues concerned by HKEX such as whether the listing applicant satisfies listing requirements; Whether it is suitable for listing; Whether the business is sustainable; Compliance issues; And whether there is any untrue or omitted disclosure
 - Phase IV Offering of Shares Stage
- Returned and rejected cases
- Recent updates



Session 4: Common PRC Legal and Tax Issues for Listing (WSHP19052502)

This workshop focuses on common PRC legal issues and tax issues for listing on HKEX. Topics include:

- Common PRC Legal Issues
 - Two different models for PRC companies to be listed on HKEX: directly via H-share listing; And indirectly via red chip listing
 - PRC foreign investment regulations
 - Guiding the Orientation of Foreign Investment (指導外商投資方向規定) (Order No. 346 of the State Council) and Law of the PRC on Wholly Foreign-Owned Enterprises (中華人民共和國外資企業法)
 - General PRC laws and regulation for specific industries and businesses
 - PRC laws and regulations for environmental protection, labor and production safety, and intellectual property, etc
 - Settlement of Foreign Exchange Capital of Foreign-invested Enterprises ("SAFE Circular No. 19") (國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知)
 - Rules on the Acquisition of Domestic Enterprises by Foreign Investors (關於外國投資者並購境內企業的規定) ("Circular No.10")
- Common Tax Issues
 - Review the HK/ PRC tax implications for group restructuring exercise prior to listing
 - Due diligent review on group entities from tax perspectives
 - Assess the adequacy of tax provision and payment for group entities for listing
 - Assess the proper fulfillment of tax compliance obligations within and prior to track record period
 - Examine the consistency of tax filing records with the financial information in the Accountants' Report

Session 5: Group Structure for Listing and Reorganisation (WSHP19062201)

This workshop focuses on common group structure and reorganisation issues in relation to listing on HKEX. Topics include:

- Discuss the accounting principles and requirements for business combination, interpretation and application of HKFRS 3 "Business Combination" and HKFRS 10 "Consolidated Financial Statements"
- Application of different group restructuring concepts, such as acquisition of businesses or assets, acquisition method of accounting, business combination under common control, Accounting Guideline 5 "Merger Accounting for Common Control Combinations" and interspersing a shell entity
- Comparison of purchase accounting and merger accounting methods
- Acquisitions of subsidiaries and businesses during or after the track record period
- Combined and carve-out financial statements
- Carve out of non-core business and operation
- Combined financial statements
- Contractual arrangements
- Other special topics, such as group reorganisation completed after the track record period and/ or after the prospectus date, and listing entity established/ completed on the prospectus date



Session 6: Common Valuation and Internal Control Issues for Listing (WSHP19062202)

This workshop focuses on common valuation and internal control issues in relation to listing on HKEX. Topics include:

- Common Valuation Issues
 - Property valuation:
 - For initial public offering preparation
 - For merger and acquisition
 - Financial valuation:
 - For initial public offering preparation
 - Valuation result implication
 - Investments
 - Employee share options
 - Convertible bonds
 - Preference shares
 - Asset/ Goodwill impairment
- Internal Control Issues
 - Securities and Futures Commission (SFC) guidance in corporate transactions
 - Relevant guidelines, rules and regulations, Practice Note 21, SFC Code of Conduct, Main Board Listing Rules Appendix 14 and AATB 1
 - Committee of Sponsoring Organisations of the Treadway Commission (COSO) Enterprise Risk Management Model
 - Internal control system effectiveness
 - Methodology of internal control review
 - Common internal control deficiencies
 - Non-compliance of internal control issues

Session 7: Preparing Accountants' Reports and Financial Forecast Reports (WSHP19062901)

This workshop focuses on common issues and consideration in preparing Accountants' Reports and Financial Forecast Reports for listing on HKEX. Topics include:

- HKSIR 200 Accountants' Reports on Historical Financial Information in Investment Circulars
 - Statutory requirements
 - Contents of Accountants' Report
 - Consent letter
- Accountants' report on pro forma financial information
 - Statutory requirements
 - Nature of information
 - Presentation on pro forma financial information
 - Format, accounting policies and prominence of information
- Profit forecasts
- Statements of sufficiency of working capital
- Statements of indebtedness



Session 8: Prospectus and Related Documents for Listing (WSHP19062902)

This workshop focuses on common issues and consideration in preparing prospectus and other related documents for listing on HKEX. Topics include:

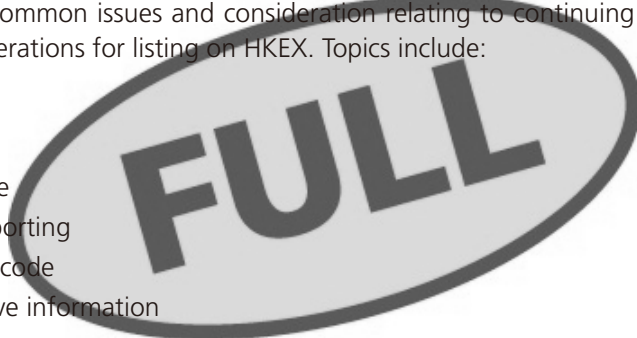
- Prospectus:
 - Prospectus liability
 - Application proof and Post Hearing Information Pack
 - Contents of listing documents
 - Prospectus vetting process
 - Prospectus registration process
 - Supplementary prospectus
- HKSIR 400 Comfort letters and due diligence meetings:
 - Requirements for HKSIR 400
 - Arrangement letter
 - Comfort and bringdown letters
 - Financial and non-financial information
 - Subsequent changes
 - Cross-border and international offerings
 - Circle-up of prospectus
 - Due diligence meetings
- Documents submitted to HKEX

Part II: Post-listing obligations

Session 1: Continuing Obligations, Listing Documents, Sufficient Assets and Operations I (WSHP19072701)

This workshop focuses on common issues and consideration relating to continuing obligations, listing documents and sufficient assets and operations for listing on HKEX. Topics include:

- Corporate governance
- Issue of new shares
- Use of proceeds disclosure
- Financial and monthly reporting
- Share dealing and model code
- Disclosure of price sensitive information

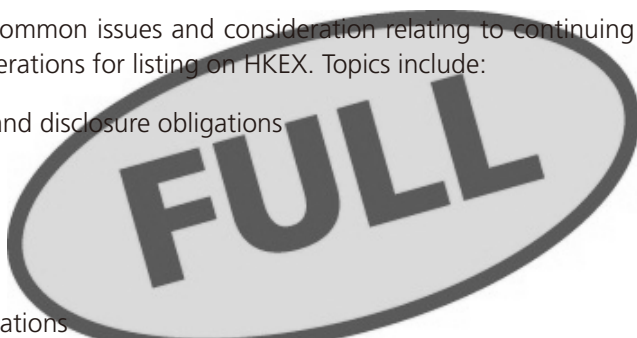


FULL

Session 2: Continuing Obligations, Listing Documents, Sufficient Assets and Operations II (WSHP19072702)

This workshop focuses on common issues and consideration relating to continuing obligations, listing documents and sufficient assets and operations for listing on HKEX. Topics include:

- Announcement, circular and disclosure obligations
- Notifiable transactions
- Connected transactions
- Takeover offers
- Public float
- Sufficient assets and operations



FULL



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About the speakers

Mr. Vincent Li

Partner of ShineWing, *CPA, LLP*, Fellow Member of HKICPA (Practising); *ACCA* and *ICAEW*

Mr. Li started his career in KPMG Hong Kong in 1986 and joined Deloitte Touche Tohmatsu ("Deloitte") in 1988. He was later promoted as Audit Director in 2003 and admitted as Audit Partner of both Deloitte China and Hong Kong from 2005 to 2013. In 2013, he was admitted as the Audit Partner and Technical Director of Pan-China (HK) CPA Limited and Pan-China Certified Public Accountants LLP respectively. In 2016, he was admitted as Partner of ShineWing.

Mr. Li has over 30 years of experience in the fields of accounting, auditing, corporate finance, business strategies and development. He has extensive experience in providing audit and accounting services to international and multinational enterprises in Hong Kong and Mainland China. He also assisted various Hong Kong entities, PRC state-owned enterprises and PRC local entities in their listing on stock exchanges in Hong Kong, Singapore and Korea. In 2015, he successfully assisted a Beijing private enterprise Beijing Chunlizhengda in listing its shares on the HKEX (Stock Code: 1858) and preparing the financial report of the company in PRC GAAP. Further, Mr. Li was also involved in the merger and acquisition transactions ("M&A") of certain large PRC enterprises.

Mr. Henry Cheng

Partner of DLA Piper Hong Kong, *BEng, BCom, CPE, PCLL* and Hong Kong Practising Lawyer

Mr. Cheng has over 12 years of experience in advising on initial public offerings ("IPO"), corporate restructuring and M&A.

Prior to joining DLA Piper, Mr. Cheng was a Partner at Kirkland & Ellis where he represented issuers, book runners, lead managers and global sponsors on high-profile IPOs. He also represented many companies as well as Chinese state-owned enterprises on their bond issuance and overseas acquisitions. Mr. Cheng worked at Skadden prior to joining Kirkland & Ellis.

Early in his legal career, Mr. Cheng was seconded to the legal and compliance department of Goldman Sachs, specializing in derivative warrants. He gained banking experience in Citibank prior to practicing law.

Ms. Maisie Yeung

Associate of DLA Piper Hong Kong, *J.D., PCLL* and Hong Kong Practising Lawyer

Ms. Yeung has involved in IPO on the Main Board of HKEX, post-listing compliance and local securities regulatory compliance matters.

Dr. Angus Ho

Tax Partner of ShineWing (HK) CPA Limited, *DBA, LLM, BA, AHKICPA, FACCA, CTA(HK)*

Prior to joining ShineWing in 2009, Dr. Ho worked in a "Big Four" accounting firm in Hong Kong for 17 years in the taxation field. He has extensive experience in providing tax consultancy services, including corporate restructuring exercise for IPO, field audit and investigation, corporate and operational restructuring for cross-border investments.

Dr. Ho actively takes part in social affairs in the community. He is a member of the Qualification and Examinations Board of Hong Kong Institute of Certified Public Accountants, Visiting Lecturer of Hong Kong Polytechnic University, Dissertation Supervisor of Warwick University, UK and Member of Accountancy Training Board of Vocational Training Council.



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Mr. Ray Liu

Partner of Jia Yuan Law Office, *LLB*, East China University of Political Science and Law and LLM, University of Pennsylvania

Mr. Liu graduated and obtained a Bachelor of Laws degree from East China University of Political Science and Law and a Master of Laws degree from the University of Pennsylvania. His areas of practice include capital markets, compliance and regulatory, M&A, joint ventures and other corporate matters.

Mr. Liu has substantial experience in Hong Kong and overseas (including the USA, PRC, etc) IPO projects, listed companies compliance, debt capital markets, share placements, M&A and private equity. He has participated in projects involving various industries, such as railway, utility service, landscape architecture, energy, property development and entertainment.

Mr. Wei Pei

Senior Partner of Jiayuan Law Office, *LLB* and Bachelor's Degree in Management, South China University of Technology and LLM, South China University of Technology

Mr. Wei has been practicing law since 2008, mainly specializing in fields of corporate restructuring, IPO, refinancing, acquisition and restructuring of listed companies, industrial integration and (M&A), private equity/ venture capital, and foreign direct investment. He possesses extensive experience in the fields of PRC and foreign IPO, M&A of listed company, foreign investment, foreign company's M&A and restructuring, mergers, restructuring, debt-to-equity swap of state-owned enterprises, and private equity/ venture capital in various types of industries including finance, manufacture, Hi-Tech, communication, agriculture, gene sequencing, medical equipment, e-commerce, internet service.

Mr. Wei regularly provides perennial legal services to major PRC companies.

Mr. Vincent Pang

Managing Director of AVISTA Group, *CFA*, *FCPA (HK)*, *FCPA Australia*, *MRICS*

Mr. Pang has advised clients in a range of industries, including financial service, energy, IT and technology, pharmaceutical, etc. He also leads AVISTA's works on business consulting, corporate investment, M&A advisory and many kinds of valuation of which he has more than 20 years of experience.

Before joining AVISTA, Mr. Pang served as an Associate Director at PricewaterhouseCoopers and was in charge of the valuation division in Beijing. He has participated in numerous mega size M&A deals and IPO cases in the US, China and Hong Kong for multinational corporations and Chinese state-owned enterprises. Previously, Mr. Pang worked in a reputable international appraisal firm where he worked on a number of valuation projects in China, Hong Kong, Taiwan, Thailand, Singapore, Australia and US.

Ms. Gloria So

Principal, ShineWing Risk Services Limited, Member of HKICPA, Certified Information System Auditor, Master degree in Information and Technology Management from the Chinese University of Hong Kong, Bachelor degree in Accountancy from the Hong Kong Polytechnic University

Ms. So has around 16 years of experience in enterprise risk management, internal controls, information technology general control review, financial due diligence and external audit. She has the expertise in performing Sarbanes-Oxley Act services, internal audit reviews, enterprise risk management and other strategic review engagements for clients from a wide range of industries. She is also responsible for leading various pre-IPO due diligence engagements for listed companies.



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