

Hong Kong Capital Markets Update



HKEX's consultation conclusion on Ongoing Public Float Requirements

On 17 December 2025, the Stock Exchange of Hong Kong Limited (the “**Exchange**”) published the consultation conclusions¹ (“**Conclusions**”) on proposed amendments to the Listing Rules relating to ongoing public float requirements. The key amendments are summarised below:

Key Amendments

1. **New alternative ongoing public float threshold (“Alternative Threshold”)** – issuers may choose to comply with an Alternative Threshold (i.e. $\geq 10\%$ of total issued shares in the listed class AND market value $\geq \text{HK\$1 billion}$) instead of the percentage threshold prescribed at the time of listing (“**Initial Prescribed Threshold**”) (i.e. tiered initial threshold ranging from 10% to 25%).
2. **A bespoke ongoing public float requirement for A+H issuers** –
 - (a) $\geq 5\%$ of total shares issued (i.e. A shares and H shares); OR
 - (b) market value $\geq \text{HK\$1 billion}$.
3. **(i) New regular public float reporting requirements, and (ii) Additional public float disclosure obligations and a restriction on corporate actions for issuers with public float shortfalls** – to enhance transparency and encourage timely restoration of public float.
4. **New requirements and consequences for Significant Public Float Shortfall²** – for issuers considered as having a Significant Public Float Shortfall, a special stock marker (“-PF”) will be imposed for identification, and such issuers will be delisted if they fail to restore their public float within 18 months (GEM: 12 months).
5. **Abolition of the practice of trading suspension** – no suspension solely due to a public float shortfall.

Background

To ensure the Exchange’s listing mechanism remains attractive and competitive for existing and prospective issuers, the Exchange published a consultation paper³ (the “**1st Consultation Paper**”) on 19 December 2024

¹ HKEX’s consultation conclusion, <https://www.hkex.com.hk/-/media/HKEX-Market/News/Market-Consultations/2016-Present/August-2025-Ongoing-Public-Float/Conclusions-Dec-2025/cp202508cc.pdf>

² A public float shortfall is considered as a Significant Public Float Shortfall unless a portion of the issuer’s class of shares listed on the Exchange and held by the public:

- represents $\geq 15\%$ of the issuer’s total number of issued shares in the class of shares listed (excluding treasury shares) (or for an issuer subject to a minimum public float percentage $<25\%$ at the time of its initial listing, represents $\geq 50\%$ of the issuer’s Initial Prescribed Threshold); or
- has a market value of $\geq \text{HK\$500 million}$ and represents $\geq 5\%$ of the issuer’s total number of issued shares in the class of shares listed (excluding treasury shares).

In the case of a PRC issuer with other listed shares, a public float shortfall is considered as a Significant Public Float Shortfall unless its H shares listed on the Exchange and held by the public:

- have a market value of $\geq \text{HK\$500 million}$; or
- represent $\geq 5\%$ of the PRC issuer’s total number of issued shares in the class to which H shares belong (excluding treasury shares).

³ HKEX’s consultation paper, <https://www.hkex.com.hk/-/media/HKEX-Market/News/Market-Consultations/2016-Present/December-2024-Optimise-IPO-Price/Consultation-Paper/cp202412.pdf>

seeking views and comments on its proposals to optimise IPO price discovery and open market requirements (please refer to our [Capital Markets Update Issue 2025-02](#)). On 1 August 2025, the Exchange published the consultation conclusions on the 1st Consultation Paper and launched a further consultation⁴ (the “**2nd Consultation Paper**”) for the amendments to ongoing public float requirements (please refer to our [Capital Markets Update Issue 2025-05](#)). The consultation period for the 2nd Consultation Paper ended on 1 October 2025.

Having considered the market responses, the Exchange will broadly adopt the proposals outlined in the 2nd Consultation Paper with minor modifications and clarifications.

Minor modifications from the proposals

The minor modifications to the proposals in the 2nd Consultation Paper are listed below.

Announcement requirement for issuers relying on the Alternative Threshold to revert to the Initial Prescribed Threshold

The Exchange requires an issuer relying on the Alternative Threshold to promptly notify the market, by way of an announcement, if it subsequently decides to revert to the Initial Prescribed Threshold. The announcement must notify the market of this change in the issuer’s public float status and the percentage of its public float. This will ensure that investors are kept informed on a timely basis.

For the avoidance of doubt, the additional ongoing disclosure obligations that apply to issuers relying on the Alternative Threshold will no longer apply once the issuer decides to revert to the Initial Prescribed Threshold.

Enhanced disclosures in annual reports

The Exchange will require (i) issuers that have relied on the Alternative Threshold at any time within a financial year and (ii) PRC issuers with other listed shares (e.g. A+H issuers) that have relied on the market value ongoing public float threshold at any time within a financial year to include, in their annual reports:

- (a) in respect of each month in which they relied on the market value-based thresholds as at the end of that month, the market value and percentage of their public floats as at the end of that month; and
- (b) a commentary on all material changes to their public float levels during that financial year.

Effective date and additional guidance

The Listing Rule amendments relating to ongoing public float requirements will come into effect on 1 January 2026 and apply to all listed issuers. The new requirements will supersede and replace the transitional ongoing public float requirements.

The Exchange also published a new guidance letter on public float requirements⁵ to facilitate issuers’ compliance with the new Listing Rule requirements.

If you have any questions about the matters discussed in this publication, please feel free to contact the following capital market partners.

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⁴ HKEX’s further consultation paper, <https://www.hkex.com.hk/-/media/HKEX-Market/News/Market-Consultations/2016-Present/December-2024-Optimise-IPO-Price/Conclusions-Aug-2025/cp202412cc.pdf>

⁵ HKEX’s new Guidance Letter (HKEX-GL121-26), https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Interpretation-and-Guidance/Guidance-Letters/gl121_26_pre_e.pdf

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