

Table 2: Summary of how Sci-Tech Innovation Board's rules differ from other main boards

	Sci-Tech Innovation Board	Main Board/SME	ChiNext
Public listing rules			
Entity qualifications	Companies that operate in line with positioning of board. Red chips that meet requirements and regulations specified by CSRC and SSE. Board allows red chips to split assets and be listed back in the domestic market.	Companies that conduct IPO in China.	Companies that conduct IPO in China.
Difference in voting rights	Weighted voting rights allowed, and voting rights may not exceed 10 times that of common stocks. Stocks with special voting rights can be permanently converted to common stocks by the ratio of 1:1.	No related provision.	No related provision.
Requirements for IPO and listing	<p>Issuer to meet at least one of the following conditions:</p> <ol style="list-style-type: none"> Estimated market value shall be no less than RMB1bn, net profit shall be positive for the last two financial years, accumulated net profit should be no less than RMB50m; or the estimated market value shall be no less than RMB1bn with a positive net profit for the most recent financial year and no less than RMB100m of operating income; Estimated market value shall be no less than RMB1.5bn, operating income for most recent year is no less than RMB200m, R&D investment in the last three years accounts for no less than 15% of the operating income in last three years; Estimated market value shall be no less than RMB2bn with operating income for the most recent year being no less than RMB300m, and cumulative net cash flow from operating activities in last three years being no less than RMB100m; Estimated market value be no less than RMB3bn, and operating income for most recent year be no less than RMB300m; Estimated market value shall be no less than RMB4bn. Main business or products shall be approved by relevant state departments, have high growth potential, and shall have achieved initial results and obtained a certain amount of investment from well-known investment institutions. 	<ol style="list-style-type: none"> Net profit be positive for last three financial years, with aggregate amount exceeding RMB30m, and net profit have been calculated as the lower of the amounts before and after deducting non-recurring losses and profits; Cumulative net cash flows from operating activities for last three financial years shall exceed RMB50m; or cumulative operating income for last three years shall exceed RMB300m; Total stock capital before issuance is no less than RMB30m; Intangible assets (excluding land use rights, marine cultivation rights and mining rights, etc.) shall not exceed 20% of net assets at the end of latest financial period; No loss has not been made up for in the latest financial period. 	<ol style="list-style-type: none"> Be profitable in the last two consecutive years with accumulated net profit being no less than RMB10m; or the issuer shall be profitable in the most recent year with operating revenue of no less than RMB50m. Net profits shall be calculated based on the amount before or after deducting nonrecurring profits and losses, whichever is smaller. Have net assets of no less than RMB20m at the end of the latest reporting period with no uncovered losses; Have a total share capital of no less than RMB30m after IPO.
Review procedure	SSE will review IPO application documents. If the application passes, SSE will submit review comments and application documents to CSRC for registration. CSRC may provide feedback and may send the application back to SSE for additional review. SSE will resubmit review comments to CSRC once application passes additional review, or SSE will announce termination of application if it does not pass the additional review.	CSRC reviews and approves issuer's IPO application.	CSRC reviews and approves issuer's IPO application in terms of the legitimacy and compliance of the application documents.
Industry review	During IPO review, SSE may consult Sci-Tech Innovation Consultancy Committee on whether issuer fits in Sci-Tech Innovation Board's positioning, as well as questions in IPO documents pertinent to issuer's business and technology.	Issuers in specific industries shall provide opinions from relevant administrative departments.	No related provision.
Information disclosure	SSE reviews information disclosed in IPO application documents in terms of adequacy, consistency, and comprehensibility so as to prompt issuers, their sponsors and securities service providers to present real, accurate and complete information, and improve the quality of information disclosed.	The stock exchange will review information disclosed in the application documents provided by the issuer and relevant parties with information disclosure obligations.	The stock exchange will review information disclosed in the application documents provided by the issuer and relevant parties with information disclosure obligations.
Issuance and underwriting	Securities companies, fund management companies, trust companies, finance companies, insurance companies, qualified foreign investors and private equity managers and other professional institutional investors (hereinafter collectively referred to as offline investors) should be inquired to determine the stock issue price of an IPO. Offline investors should be registered at and managed by Securities Association of China (SAC) and subject to its self-regulation. The issuer and lead underwriter can set the specific conditions of offline investors according to the provisions for related self-regulatory rules of SSE and SAC, and disclose in advance in the issuance announcement.	For IPO, the stock issue price can be determined by inquiry with offline investors, and can also be determined by direct pricing through independent negotiation between the issuer and lead underwriter and other legal and feasible ways. Public offerings with number of shares below 20m (inclusive) without old share transfer plan can determine the issue price by direct pricing. The issuer and lead underwriters should disclose the pricing method of the prospectus and issuance announcement. Share pricing of the listed company should comply with the relevant provisions of CSRC on the issuance of securities by listed companies.	For IPO, the stock issue price can be determined by inquiry with offline investors, and can also be determined by direct pricing through independent negotiation between the issuer and lead underwriter and other legal and feasible ways. Public offerings with number of shares below 20m (inclusive) without old share transfer plan can determine the issue price by direct pricing. The issuer and lead underwriters should disclose the pricing method of the issuance in the prospectus and issuance announcement. Share pricing of the listed company should comply with the relevant provisions of CSRC on the issuance of securities by listed companies.
Trading and delisting mechanism			
Price restriction	No limits on rises and falls for the first five trading days after IPO, but there is a 20% limit after that.	Rises and falls capped at 10%.	Rises and falls capped at 10%.
Mode of trading	Auction trading, block trading, and after-hours fixed price trading	Auction trading and block trading	Auction trading and block trading

Source: HSBC Qianhai, published March 2019, accessed April 23, 2019.