Hong Kong Betting Big on Biotech IPOs

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Hong Kong has become one of the preferred destinations for biotech IPOs, attracting both mainland Chinese and international firms. Since the introduction of Chapter 18A in 2018, which opened public capital markets to pre-revenue biotech companies, the city has accelerated growth in its capital markets and supported sector-wide innovation. In May 2025, regulators had also launched the Technology Enterprises Channel (TECH), a new platform for biotech listings that provides greater flexibility for issuers. In this story, we explore the current landscape of biotech IPOs and how the city can sustain its role as a global hub for innovation and capital.

Since the introduction of Chapter 18A in 2018, Hong Kong has become an important fundraising hub for biotechnology, giving pre-revenue companies access to public markets for the first time. The reform helped the Hong Kong Stock Exchange (HKEX) compete with Nasdaq and Shanghai by opening the door to high-growth biopharma companies that would otherwise have struggled to meet traditional profitability requirements. These efforts appear to have paid off. Hong Kong is now the second-largest IPO market after the United States for biotech companies.

“Chapter 18A positioned Hong Kong as Asia’s premier venue for pre-revenue biotech listings, a space that had previously been largely limited to U.S. exchanges. This gave the city a clear first-mover advantage, drawing a steady pipeline of Chinese biotechs and positioning it as a capital-raising alternative for global investors,” said **Kimberly Ha is the Founder and CEO of KKH Advisors.**

The impact has been significant. “To date, 75 biotech firms have listed under Chapter 18A, propelling Hong Kong to become the world’s second-largest biotech fundraising hub. The healthcare sector is now our fastest-growing, with its overall market capitalisation tripling since 2018, with biotech accounting for a quarter of that growth. We are seeing robust momentum in Hong Kong’s capital markets, with the city ranking first in the world in terms of IPO funds raised. Our pipeline, with over 200 active listing applications—20 per cent from healthcare—reflects strong sustained investor interest,” said **Johnson Chui, HKEX Head of Global Issuer Services.**

Prof. Christopher CHAO, Vice President (Research and Innovation) and Director of Policy Research Centre for Innovation and Technology of The Hong Kong Polytechnic University echoes the same sentiment. “I’ve seen Hong Kong evolve into Asia’s leading and one of the world’s top biotech financing hubs since HKEX launched Chapter 18A in 2018. By June 2025, 73 biotech companies had listed in Hong Kong, channeling patient capital to pre-revenue innovators and reinforcing a high-quality pipeline. This sits within a broader upswing—Hong Kong ranked first globally by IPO proceeds in the first half of 2025—underscoring market depth and resilience that benefit biotech issuance.”

To further support this growth, in May 2025 the Securities and Futures Commission (SFC) and the Stock Exchange of Hong Kong Limited (the Exchange), a wholly-owned subsidiary of HKEX, jointly launched the TECH. This dedicated platform is designed to streamline new listing applications from Specialist Technology Companies and Biotech Companies, complemented by a confidential filing option that provides greater flexibility for issuers.

Policy and regulatory infrastructure

Hong Kong has rolled out significant regulatory reforms to ease drug development and registration. The ‘1+’ mechanism allows new drugs, vaccines, and advanced therapies to be registered locally once recognised by a reference authority and backed by local data. Hong Kong is also establishing its own Centre for Medical Products Regulation with the ambition of becoming an internationally recognised authority. Complementing this are special arrangements with the National Medical Products Administration that permit selected Mainland GBA institutions to use innovative medicines and devices already approved in Hong Kong.

The government has invested billions into life and health technology. Flagship programmes such as the RAISe+ Scheme, the InnoHK research clusters (now 29 centres spanning health tech, AI, and robotics), and subsidies for new university-led health institutes demonstrate sustained financial commitment. Over $250 million has been allocated to the Hong Kong Park of the Co-operation Zone to house InnoHK clusters, alongside $25 million earmarked for life and health startups.

Hong Kong’s integration with the Guangdong–Hong Kong–Macao Greater Bay Area (GBA) provides access to a market of 86 million people with a combined GDP of $2 trillion. Hong Kong-registered drugs and devices benefit from streamlined entry into the GBA. The Greater Bay Area International Clinical Trial Institute, recently launched in the Hong Kong Park of the Co-operation Zone, is expected to coordinate more than 70 cross-boundary clinical trials in its first year, while a new Real-World Study and Application Centre will accelerate approvals through shared medical data. These initiatives underline Hong Kong’s dual position as both a financial hub and a translational bridge linking international standards with mainland clinical and regulatory systems.

The future of biotech IPOs

Building on these regulatory foundations, momentum on the capital markets side is increasingly evident. The SFC and HKEX have rolled out measures to strengthen Hong Kong’s listing appeal.

“The 2025 reforms introduced by HKEX and the SFC have been transformative, particularly the confidential IPO framework and the TECH. These initiatives allow startups to protect sensitive data until late in the process, an attractive feature for biotech, AI, and semiconductor firms that need to safeguard intellectual property and competitive strategies. Nearly half of biotech and tech issuers are already choosing this route. At the same time, institutional investors now dominate allocations, helping to reduce the volatility once driven by retail speculation,” said Kimberly.

Recent listing activity reflects this shift. Chinese biotechs such as Sichuan Biokin Pharmaceutical and Shanghai Bao Pharmaceuticals have filed to list in Hong Kong, while Jiangsu Hengrui Pharmaceuticals is preparing a $1.27 billion IPO and Leads Biolabs has raised $189 million.

“In total, 34 mainland biotechs filed for Hong Kong IPOs in the first half of 2025 alone. Looking ahead, platforms like the LEAP East conference in Hong Kong (July 8–10, 2026), where I will be speaking, are also designed to attract overseas innovators into the region, further reinforcing Hong Kong’s role as a global bridge for capital and technology,” said Kimberly.

Universities are also shaping the pipeline of biotech innovation. Hong Kong Polytechnic University (PolyU), for example, has built a university–hospital–CRO/CDMO innovation ecosystem that accelerates bench-to-bedside translation.

“Hong Kong’s tertiary institutions, such as The PolyU, serve as translational research powerhouses, bridging the gap between academic discovery and market-ready innovation. PolyU’s university–hospital–CRO/CDMO biotech innovation ecosystem accelerates the bench-to-bedside journey, exemplified by flagship platforms like the University’s Centre for Eye and Vision Research and the Department of Biomedical Engineering, which have produced clinic-ready innovations such as *Scolioscan*. It is a standout example that progressed from PolyU labs to commercial manufacturing. By leveraging our Shenzhen Research Institute (SZRI) and GBA network, PolyU efficiently links spinouts with leading CROs for preclinical/clinical operations and CDMOs for GMP manufacturing, reducing time-to-clinic and de-risking scale-up,” said Prof. Christopher CHAO.

The HKEX emphasises that its evolving framework will be central to sustaining competitiveness. “What sets Hong Kong apart — and will help us sustain this momentum – is our commitment to continuously innovate and progress our listing franchise, as demonstrated by the launch of Chapter 18A, 18C, and most recently, the TECH in May 2025,” said Chui.

He added, “Looking ahead, HKEX is committed to further elevating market vibrancy and attractiveness, ensuring Hong Kong’s position as a dynamic IPO destination.”

Still, sustaining momentum will require more than regulatory tools or new listings. “To maintain this momentum, Hong Kong will need to continue expanding its sophisticated biotech investor base, provide regulatory clarity and consistency, and strengthen post-listing support mechanisms such as liquidity and research coverage to ensure long-term success beyond the IPO,” signs off Kimberly.

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