



HK Competitiveness Review Listing Rule Amendments effective 24 July 2026

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Uncertificated Securities Market introduction on 16 November 2026

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HKEX Listing Rule Amendments effective 24 July 2026

- Amendments implement HKEx's March 2026 "Listing Framework Competitiveness Review" consultation – all proposals adopted (with modifications)
- Aim: broaden diversity of listable companies
- Build on earlier reforms: Chs 18A (Pre-revenue Biotech companies), 8A (companies with Weighted Voting Rights (**WVRs**)), 19C (Secondary Listings), 18C (Specialist Technology Companies)
- By end 2025, new economy industries = **48.2%** of market cap and **59.4%** of cash turnover



Competitive Pressures Driving Reform

Singapore

- Considering disclosure-based regime
- SGX–Nasdaq dual-listing bridge

United States

- SEC extended confidential filing to almost all IPOs

United Kingdom

- Listing regime overhauled July 2024
- Relaxed eligibility & WVR requirements

Key Gap

- 223 of 300 Chinese companies listing in US (2018–2025) ineligible for HK listing

Three Areas of Reform



A second-phase consultation was published on 21 September 2026 with proposed changes to the requirements for notifiable transactions, connected transactions & spin-offs

Chapter 8A: WVR Financial Eligibility Thresholds

LR 8A.06	Before Reform	Revised Rule
WVR Test A	Market cap $\geq$ HK\$40 billion	Market cap $\geq$ HK\$20 billion
WVR Test B	Market cap $\geq$ HK\$10 billion + revenue $\geq$ HK\$1 billion for most recent audited financial year	Market cap $\geq$ HK\$6 billion + revenue $\geq$ HK\$600 million for most recent audited financial year

Chapter 8A: Maximum Voting Ratio

LR 8A.10



- Market cap $\geq$ **HK\$40 billion** at listing: WVR shares may carry up to **20:1** voting power of ordinary shares
- Market cap $<$ **HK\$40 billion**: cap remains at **10:1**
- 20:1 cap applies to **new listing applicants only** – existing listed companies cannot increase WVR votes
- US exchanges: no ratio restriction; UK removed 20:1 cap in July 2024

Chapter 8A: WVR Beneficiaries' Minimum Economic Interest: LR 8A.12

- General rule: WVR beneficiaries must collectively own **≥10%** of economic interest in applicant's issued share cap at listing
- Revised discretion: HKEx may accept economic interest below 10% if interest is **≥5%** of total issued share capital **AND** amounts to **≥HK\$4 billion**
- Dual floor to ensure proportional stake plus substantial "skin in the game"
- HKEx retains right to refuse WVR structures representing an **extreme case** of non-conformance with governance norms



Chapter 8A:

Innovative Company Requirements

Restructured from a single list of 4 characteristics into 2 routes under amended Ch 2.2 of the Guide for New Listing Applicants

Route A

New Technologies Route – for applicants adopting technologies that are novel or essential to novelty of their core business

Route B

New Business Model Route – for applicants whose success is attributable to a new business model – need not be technology-enabled

Route A: New Technologies Route

Applicant must demonstrate **more than one** of 3 characteristics:

R&D Characteristic

- R&D is a significant contributor to expected value, & a major activity & expense

IP Characteristic

- Success attributable to intellectual property

Outsized Market Cap Characteristic

- Outsized market cap or intangible asset value vs tangible asset value
- Assessed qualitatively, case by case

Route B: New Business Model Route

For applicants whose success stems from a **new business model** (need not be technology-enabled). Must normally demonstrate **2** characteristics:

Compound Annual Growth Rate (CAGR) Growth Characteristic

- Revenue CAGR of $\geq 30\%$ over the track record period
- Alternative operational metrics (e.g. GMV) accepted if independently verifiable & industry-standard

Industry Position Characteristic

- Relatively prominent position in its industry

Novelty Characteristic & Assessment Timing

- Both routes require applicants to demonstrate the **Novelty Characteristic**: how operations differ from conventional methods in the industry
- If peers employ similar technology or business model, HKEx may still consider the applicant innovative if it is the **only one, or one of the first few**, to adopt them
- Innovative characteristics assessed **only at listing** – no ongoing obligation post-listing

Presumed to Meet Innovative Company Requirements

Existing Presumption

Chapter 18A or 18C applicants fully meeting their chapter's requirements

Also presumed to satisfy external validation requirement

New: Qualified Biotech Companies

- Listing under Chapter 8
- Operates in Biotech; R&D & commercialised Core Product
- Continued R&D in 12 months before listing
- Owns IP rights to Core Product

New: Qualified Specialist Technology Companies

- Listing under Chapter 8
- Primarily engaged in R&D & commercialisation of Specialist Technology Product(s)
- Meet 15% R&D expenditure test (LR 18C.04)

Note: Qualified Biotech & Specialist Technology Companies must still demonstrate company success & satisfy external validation requirement

External Validation Requirement

- WVR applicants must have received **meaningful** third-party investment from **≥ 1 sophisticated investor**, who remains invested at IPO
- Sophisticated investors must retain **≥ 50%** of their IPO-date holding for at least **6** months post-IPO

Sophisticated Investor Assessment

Case by case – based on investment experience, knowledge & expertise, as demonstrated by net assets, AUM, portfolio size or track record

New Business Model Applicants: Quantitative Threshold

Sophisticated investor investment (including proceeds of IPO offer shares) must equal **≥ 10%** of issued share capital at listing (lower % accepted if investment is substantial in absolute terms & market cap exceeds HK\$20 billion)

Ch 19C: Secondary Listings – Revised Eligibility

Test	Before Reform	Revised Rule
WVR Test A*	Market cap ≥ HK\$40 billion	Market cap ≥ HK\$20 billion
WVR Test B*	Market cap ≥ HK\$10 billion + revenue ≥ HK\$1 billion	Market cap ≥ HK\$6 billion + revenue ≥ HK\$600 million
Non-WVR Criteria A (5-yr regulatory compliance on Qualifying Exchange)	Market cap ≥ HK\$3 billion	No change
Non-WVR Criteria B (2-yr regulatory compliance on Qualifying Exchange)	Market cap ≥ HK\$10 billion	Market cap ≥ HK\$6 billion

*Requirement for 2-year regulatory compliance record on a Qualifying Exchange (NYSE, Nasdaq, LSE Main Market) for applicants with a WVR structure is unchanged

Guidance letter HKEX-GL112-22 updated July 2026 for clarity on listing status changes

Initial Listing Requirements – Ownership Continuity & Control



- Applies under each Rule 8.05 eligibility test for the most recent audited financial year up to listing (the "**Relevant Period**")
- New Note to LR 8.05: applicant satisfies requirement if it demonstrates **no material change in influence on management** despite a change in controlling shareholder

Financial Reporting Standards: US GAAP Changes

1 Expanded eligibility

US GAAP now permitted for: US dual-primary/secondary listed issuers; subsidiaries of US-listed parents; companies with substantial US business operations

2 No forced reversion

Requirement to revert to HKFRS/IFRS on US delisting removed – eliminates barrier to primary HK listing conversion

3 Reconciliation Statement

Auditor review of interim Reconciliation Statements removed; audit committee review sufficient. Reconciliation statements in annual accounts and accountants' reports still require auditor/reporting accountant review

Commercialised Biotech & Specialist Technology Companies

- Previously, Chapters 18A & 18C were confined to applicants **unable to meet any Rule 8.05 test**
- Now: commercially active Biotech & Specialist Technology Companies ("**Eligible Specialist Companies**") may list under Ch. 18A or 18C **even if they satisfy Rule 8.05**
- Requirements designed for pre-revenue/early-stage companies are **disapplied** for those meeting Rule 8.05

Eligible Specialist Company: Chapter 18A

Modifications

Track Record

3 financial years required
(vs 2 for other Biotech
Companies)

Management Continuity

3 preceding financial
years required (per LR
8.05)

Disapplied Requirements

R&D fundraising purpose;
warning statements;
sophisticated investor pre-
IPO investment; 12-month
remedial period after LR
13.24 breach; LR 18A.10
restriction on fundamental
change in principal
business; stock marker "B"

IPO Placings

Bespoke existing-
shareholder placing
provisions disapplied;
ordinary size-based
exemption applies instead

Eligible Specialist Companies: Chapter 18C & WVR

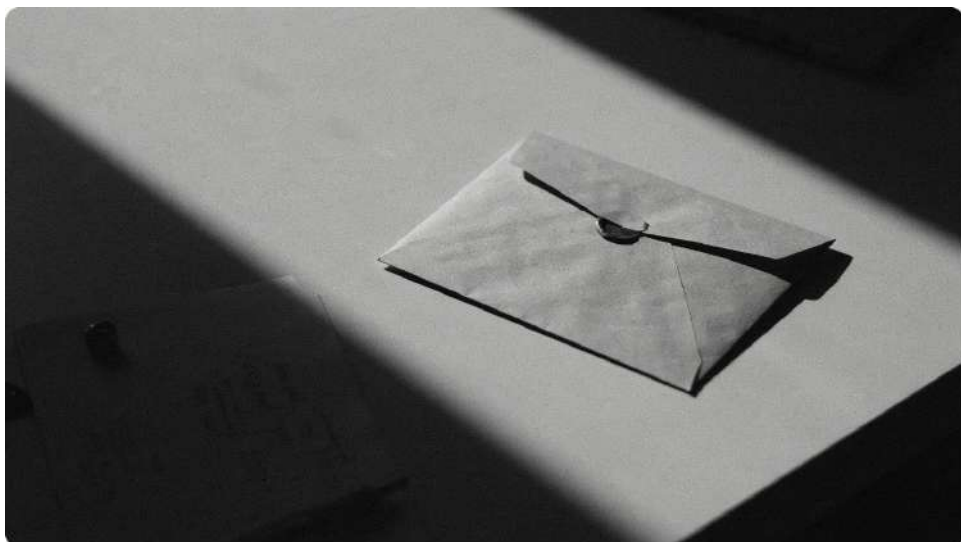
Chapter 18C (Commercialised Specialist Technology Companies)

Subject to Commercial Company requirements, with 3 exceptions: no sophisticated investor investment requirement; no prescribed warning statement; ordinary size-based placing exemption applies

WVR Structures

An Eligible Specialist Company listing with a WVR structure remains subject to the **full set of Chapter 8A safeguards** including the suitability requirement

Confidential Filing Changes: Application Proof



- Publication of Application Proof (**AP**) on filing is now a **choice**, not mandatory
- Applicants not publishing AP need only publish an **OC Announcement** on the same date as the PHIP
- Voluntary "**Updated Application Proof**" may be published before PHIP (e.g. for investor outreach) – must reflect all HKEx & SFC comments to date
- Same redaction, disclaimer & legal confirmation requirements apply as to a published AP, plus additional warning statements

Enhanced Return Mechanism

- Where an application is returned as not substantially complete, HKEx will now **publish names & roles of all professional parties** (legal advisers, reporting accountants, auditors, industry consultants, other experts) plus reasons for return
- 8-week re-filing moratorium now runs from the **"Returned Date"**: when period for invoking review procedures lapses or date review procedures are completed

Hong Kong's Uncertificated Securities Market (USM)

Scheduled to take effect **16 November 2026**. Will enable investors to hold and transfer legal title to prescribed securities in their own names, **without paper documents**

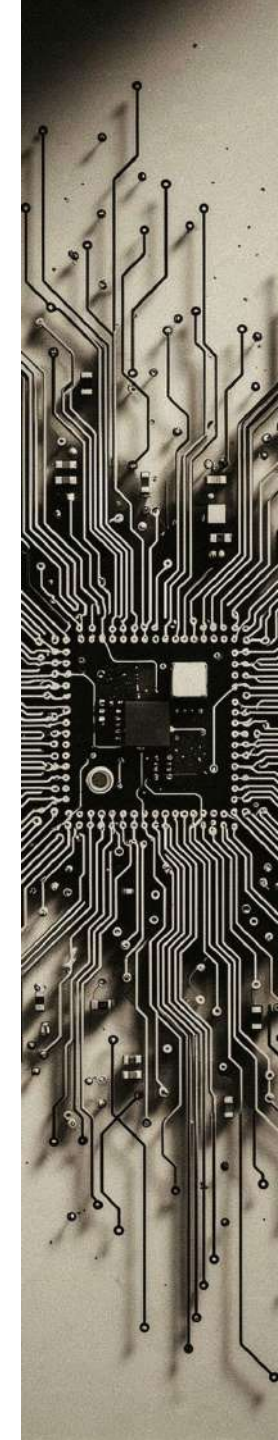
Key Reference Documents

SFC Guidance Note

Securities and Futures Commission's Guidance Note for Issuers on Participating in the Uncertificated Securities Market Regime (July 2026)

USM Guide

HKEx's Guide on the Uncertificated Securities Market (July 2026)



USM Legal Framework (effective on USM implementation)

01

Part IIIAA of the SFO

Overall framework for uncertificated securities

03

Securities and Futures (Approved Securities Registrars) Rules (Cap 571AT) & Code of Conduct for Approved Securities Registrars

Regulate securities registrars operating the new system

02

Securities and Futures (Uncertificated Securities Market) Rules (Cap 571AS) ("USM Rules")

Operational matters: evidencing, transferring, keeping registers, dematerialisation

04

Securities and Futures (Stock Market Listing) Rules (Cap 571V) ("SMLR")

Every issuer of prescribed securities must have an ASR at all times (Part 4)

What Are Prescribed Securities?

Included

- Shares (excl. CIS interests)
- Depositary receipts
- Stapled securities
- Authorised CIS interests withdrawable from CCASS
- Subscription warrants (capital raising) entitling holder to subscribe for any of the first 4 classes
- Rights issue rights to subscribe for any of the first 4 classes

(Schedule 3A to Part IIIA SFO)

Excluded

- Debt securities (incl. convertible bonds until conversion)
- Authorised CIS interests not withdrawable from CCASS
- Options/warrants to subscribe for non-prescribed securities

Specified Jurisdictions



- Initial focus on **Specified Jurisdictions**: Bermuda, Cayman Islands, Chinese Mainland, Hong Kong (Rule 28(10) & Schedule to USM Rules)
- Mandatory transition within **5 years** of USM implementation
- Other jurisdictions (e.g. Singapore, BVI): **no mandatory timeline yet**; may participate voluntarily with independent legal advice confirming home law compatibility (USM Guide, section 10; SFC Guidance Note, Appendix 3)
- Voluntary participants must comply to the same extent as mandatory participants

Participating Securities & Key Concepts

Participating Securities

Prescribed securities that have completed all procedures to enable title to be evidenced & transferred without paper instruments through an Approved Securities Registrar's ("**ASR**") Uncertificated Securities Registration and Transfer ("**UNSRT**") system (Rule 4 USM Rules)

Participation Date

The date prescribed securities become participating securities – restrictions begin from this date

System-Members vs Provisional System-Members (Rule 2 USM Rules)

System-members (USI profile set up with ASR) can evidence & transfer title to, & manage, prescribed securities through ASR's UNSRT system

Provisional system-members (no USI profile) can only evidence title

(Rule 2 USM Rules)

USM Timetable: When Must Specified Jurisdiction Prescribed Securities Participate?

1

New Listings (from 16 Nov 2026)

Must be participating securities from **listing date** – issued in uncertificated form from listing (Rule 28(2)(a) USM Rules)

2

Already Listed (on 16 Nov 2026)

Must become participating securities by their **specified date** – specified dates within 5 years ending **16 November 2031** (Rule 28(1) USM Rules) will be notified to Specified Jurisdiction listed issuers

3

Warrants & Rights

Must participate from listing if issued **after** underlying securities become participating securities (Rule 28(3) USM Rules)

How Are Specified Dates Determined?

- Over **2,600 issuers** and **14.63 million** title instruments in circulation at end 2025 – sequencing arrangement will apply
- ASRs, HKSCC & HKEx will agree a timetable queuing Specified Jurisdiction prescribed securities within the 5-year window
- Issuers receive **written notice ≥ 3 months** before their specified date (SFC Guidance Note, para 5.7)
- Issuers urged to speak to their ASR **as soon as possible** if concerned about timing

Penalties for Non-Compliance



- Failure to participate by listing date (new applicants) or specified date (listed issuers) without reasonable excuse: **HK\$25,000 fine** + **HK\$700 daily fine** while offence continues (Rule 28(9) USM Rules)
- HKEx will apply listing/ continued listing suitability guidance to USM breaches

Deferral of Specified Dates

Listed Companies

- Deferral only in **exceptional circumstances beyond control** of issuer/ASR
- Issuer's own delay, ASR failure to operate UNSRT, or ASR change do **not** justify deferral
- Apply in writing to ASR, HKSCC & HKEx **≥ 30 business days** before specified date
- All three must agree; SFC decides if no agreement

SFC Guidance Note, paras 5.13 & 5.14;
USM Guide paras 11.1 to 11.6

New Listing Applicants

- Within first **12 months** after USM implementation: HKEx may allow certificated listing if exceptional circumstances or listing in uncertificated form would unreasonably delay listing (Rules 28(5) & (6) USM Rules)
- Application made to HKEx Listing Division through sponsor with proposed participation date occurring no later than 16 November 2031

USM Guide para 5.2

SFC Exemption from USM Participation Requirements (Rule 32 USM Rules)

If specified date/participation deferral refused, listing applicant/listed company can:

- Apply to SFC in writing **≥ 2 weeks** before specified/listing date
- Exemption granted only in exceptional circumstances; must not prejudice investing public

SFC Guidance Note, paragraphs 5.16 to 5.18

Appointment of an Approved Securities Registrar (ASR)

- From **16 November 2026**: **every** issuer of prescribed securities must have an ASR to maintain its register of prescribed securities holders – **regardless of** jurisdiction of incorporation or USM participation status
- HKEx will **refuse to list** prescribed securities if no ASR appointed (s.13 SMLR)
- HKEx will **suspend dealings** where an ASR has not been appointed (unless permitted by SFC) (s.14 SMLR)
- For prescribed securities to become **participating securities**: ASR must also be a **Registrar Participant** (i.e., an ASR approved by SFC to operate a UNSRT system and admitted by HKSCC) (SFC Guidance Note, para 4.8)

ASR Readiness & Change of ASR

Readiness Confirmation

- Obtain written confirmation from ASR that UNSRT system is ready
- Confirm date from which UNSRT can evidence and transfer title without paper

SFC Guidance Note, paras 4.8 and 4.9

Change of ASR

- Notify SFC and HKEx in writing ≥ 3 months before change (or as soon as practicable) (Rule 15(2) SMLR)
- Failure to notify without reasonable excuse: Level 5 fine (Rule 15(6) SMLR)
- Listed company must publish announcement of ASR change (MB Rule 13.51(5)/ GEM Rule 17.50(3))
- Listing applicants: notify Listing Division of ASR change via sponsor; update draft prospectus

Amending Terms of Issue / Articles of Association

- Terms of issue must be consistent with the USM regime (paras 14 & 15 Appendix G1 MB LR/ Appendix F1 GEM LR)
- Terms of issue: for shares = company's articles or byelaws; for other prescribed securities = documents governing creation & transfer
- Must allow for: holding/evidencing/transferring title without paper through ASR's UNSRT system; dematerialisation; prohibition on issuing new certificates/ title documents; register keeping; written confirmation to holders of changes in uncertificated holdings; use of authenticated electronic messages (SFC Guidance Note, para 4.4)
- SFC also recommends amending articles to expressly cover USM matters on which they're silent
- Deadline for listed companies to amend: later of 16 November 2027 or first AGM after that date (USM Guide, para 14.5)
- HK-incorporated companies: USM regime overrides conflicting terms (s101AAD, Part IIIAA SFO)
- Overseas issuers: override applies only if permitted by home laws (s101AAE, Part IIIAA SFO)— take legal advice
- SFC recommends amending even where override applies

Terms of Issue: Key Areas & New Applicants



- Appendix 2 to SFC Guidance Note: sample Articles provisions covering definitions, form of shares, transfers, dematerialisation, register, electronic communications, virtual meetings
- Sample provisions for reference only – independent legal advice required, especially for non-HK & dual-listed companies
- New applicants (Specified Jurisdiction): must conform constitutional documents before listing
- A-share companies seeking H-share listing: amendments require shareholder approval – factor into listing timetable

Disclosure: Listing Applicants

- Listing documents must include **prescribed USM disclosure** (para 3 of Appendix G1, Main Board LR & Appendix F1, GEM LR)
- Must include statement that holders wishing to hold uncertificated securities in own names must **set up a USI profile** with the ASR, plus hyperlink to ASR's webpage (USM Guide, Appendix 2, para 1)
- Applicants publishing AP must **redact USM disclosure**
- Where permitted to list in certificated form or exempted by SFC: additional prescribed disclosure required (paras 4 & 5 of Appendix G1, Main Board LR & Appendix F1, GEM LR; USM Guide, Appendix 2)

Disclosure: Announcements by Listed Companies

Announcements required under Appendix G1, Main Board LR & Appendix F1, GEM LR; USM Guide Appendix 2

01	02	03
Specified Date Announcement	USM Transition Plan	Reminder Announcement
Announce specified date ≤ 1 business day after receiving written notice	Announce as soon as reasonably practicable after finalisation covering: participation date, steps to amend constitutional documents, dematerialisation process, consequences for holders; hyperlink to dedicated USM webpage	Publish ≤ 21 business days before participation; may encourage holders to set up USI profiles

Any material change to the transition plan (including revised dates) must be announced as soon as reasonably practicable

Corporate Action Moratorium & Last Registration Date

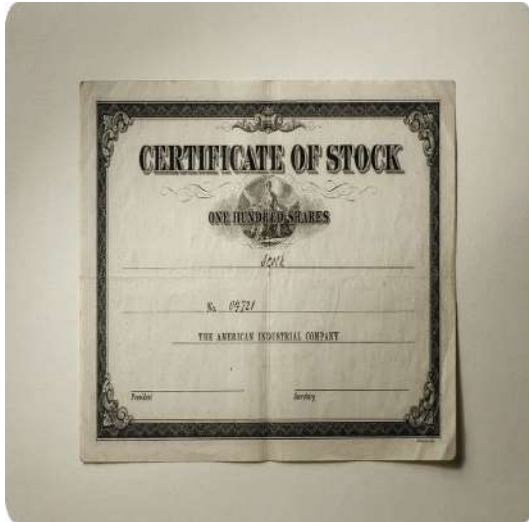


- Last day for registering transfers entitling transferee to a **physical certificate: 10th business day before** participation date (must not be a book close day) (USM Guide, para 6.8)
- **Quiet period:** issuers strongly advised not to conduct corporate actions involving the register in the **13 business days before** and **10 business days after** participation date
- Moratorium does **not** prevent cash dividend payments or general meetings

Consequences of Participation: Dematerialisation

- On participation: all CCASS-held units of prescribed securities must be **dematerialised within 6 months** (Rule 31 USM Rules)
- Investors holding certificates in own names may request dematerialisation – **no obligation** to do so
- To dematerialise: investors must be a system-members of ASR's UNSRT & provide valid title instrument (unless lost/damaged) (Rule 22 USM Rules)
- Issuers also have a right to dematerialise certificated participating securities in certain circumstances (e.g. transfer request, lost/damaged certificate) if holder is a system-member or provisional system-member of ASR's UNSRT (Rule 25 USM Rules)

Restrictions on Issuers of Participating Securities



- New units of participating securities (including bonus shares, scrip dividends, & shares issued on warrants/rights exercises): **uncertificated form only** (Rule 29 USM Rules)
- **No new share certificates** or title instruments may be issued for participating securities; existing certificates remain valid until cancelled (Rule 30 USM Rules)
- Rematerialisation permitted **only on delisting** (Rule 27 USM Rules) or under SFC exemption

Issuer Obligations After Participation: Register of Holders

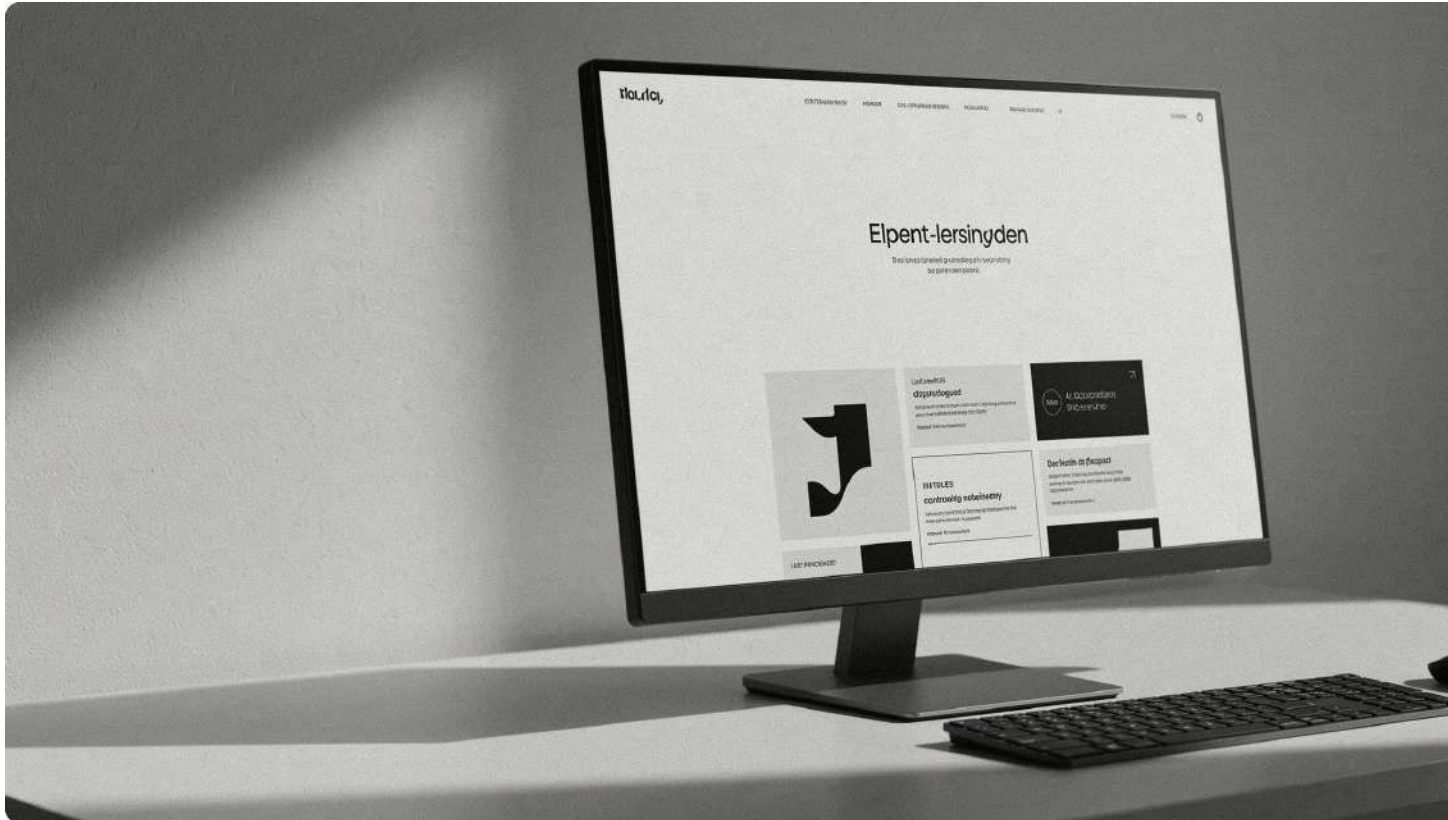
- Register of holders must record which securities are in **uncertificated form**
- Holders of uncertificated securities must be notified of any change to their entries: **within 1 business day** (electronic) or **3 business days** (post)
- Register may not be closed for more than **2 consecutive business days** (unless trading suspended)
- Holders must be permitted to **inspect and copy** register entries relating to them

Continuing Obligations: Corporate Action Announcements

- Announcements and circulars for post-participation corporate actions must explain implications for holders **without a USI profile**: what they must do, how to give instructions, relevant cut-off times
- Where new units will be issued: state they will be in **uncertificated form** and that holders without a profile become **provisional system-members**
- Include hyperlink to ASR's webpage on setting up a USI profile

(USM Guide, Appendix 2, Part C; See also para 13 of Appendix G to MB Rules and Appendix F to GEM Rules)

USM Webpage & Publication Obligations



- Every issuer must maintain a **dedicated USM webpage** carrying USM disclosures and announcements for **at least 1 year** after participation
- Must publish on its website the information formerly printed on the face of **share certificates** or other title documents