

Hong Kong Listing Rules Update

Financial Reporting Webinar Series



With You Today

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Polling Question #1



What were the two biggest drivers of IPO fundraising in Hong Kong so far this year?
(Choose two)

- A** Specialist Technology Companies (Chapter 18C)
- B** Real Estate Investment Trusts (REITs)
- C** A+H Listings
- D** Pre-Revenue Biotech Companies (Chapter 18A)

Hong Kong IPO Market Performance in 2026 (up to July)

IPO momentum continues to strengthen in 2026

- Record-breaking A+H and Specialist Technology listings
- Surge in active IPO applicants



HKD328B

in terms of total funds raised
(YTD July 2025: HKD129B)

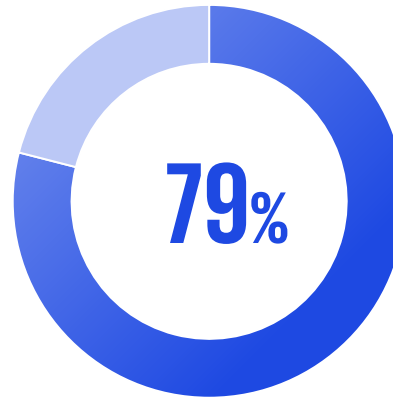


102 IPOs

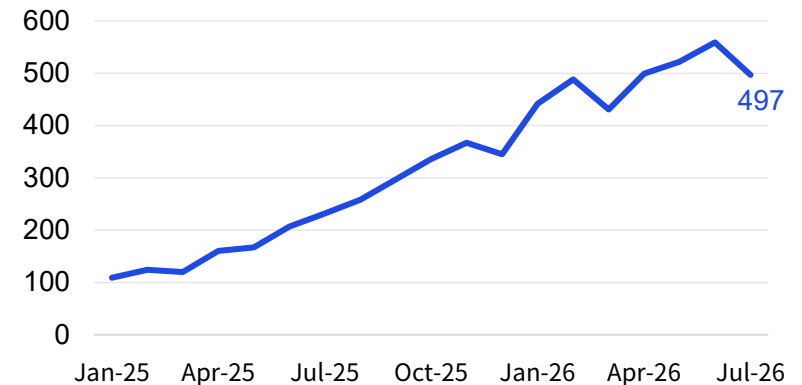
In terms of completed IPOs
(YTD July 2025: 51 IPOs)



**2nd among
global IPO
markets**



Nearly 80% of funds raised
attributable to A+H and Specialist
Technology Listings



Surge in IPO pipeline since 2025

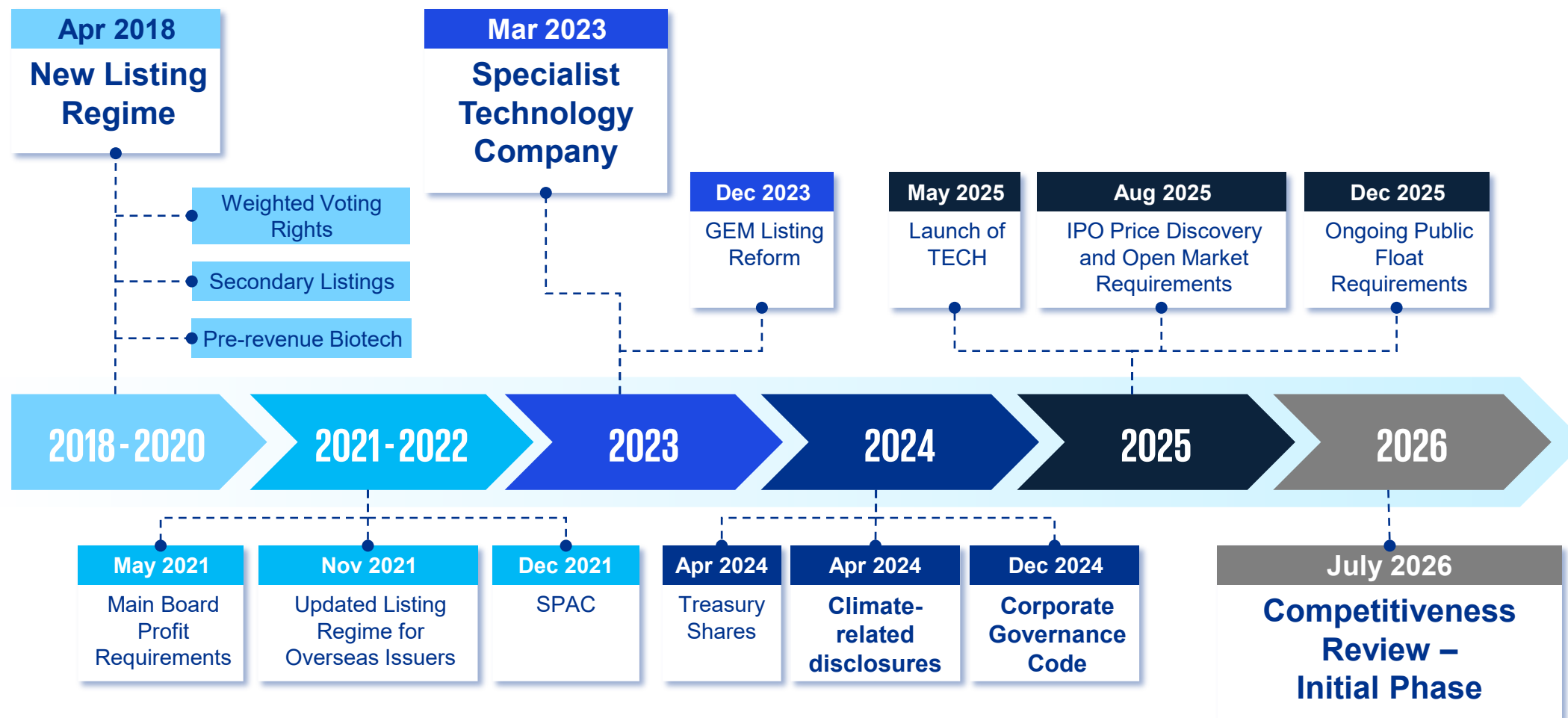
Polling Question #2



In your opinion, which of the following listing reforms is the most impactful for the Hong Kong IPO market?

- A Weighted Voting Rights (April 2018)
- B Pre-Revenue Biotech Companies (April 2018)
- C SPAC (December 2021)
- D Specialist Technology Companies (March 2023)

Listing Reforms Over the Years



Regulatory Development in Other Major Markets



United Kingdom

- Comprehensive overhaul of listing framework
- Reduced continuing obligations



Chinese Mainland

- STAR Market “1+6” reform to support tech enterprises
- 4th listing standard in ChiNext Board to allow pre-profit listings



United States

- Expanded confidential filing availability
- Proposal to allow semi-annual reporting instead of quarterly



Singapore

- Streamlined prospectus requirements, broaden investor outreach channels
- Streamlined qualitative admission criteria, reduced profit test threshold
- Dual listing bridge with NASDAQ



Australia

- Streamlined IPO process for shorter timetables
- Expansion of approved foreign markets

The interconnectedness of global financial markets have led to calls for Hong Kong to **reinforce its own position as a premier international financial center** by building on the success of its previous listing reforms.

HKEX's Listing Competitiveness Review (Initial Phase)

13 March 2026
Consultation Paper

8 May 2026
Consultation Ended

24 July 2026
Consultation Conclusion

**Effective
immediately**

Weighted Voting Rights



Financial Eligibility

- Market Cap Test:
HK\$40B → HK\$20B
- Market Cap/Revenue Test:
HK\$10B/HK\$1B → HK\$6B/HK\$600M

Voting Power

- Up to 20 votes per WVR share if market cap ≥ HK\$40B

Innovative Company

- Broader “innovative company” definition
- Two routes – “Tech” and “Innovative Business Model”

Secondary Listings



Financial Eligibility

- Market Cap Test:
HK\$10B → HK\$6B
- Secondary listing applicants with WVR can follow WVR requirements

Conversion to Primary Listing

- Streamlined guidance on typical steps required for conversion from secondary listing to primary listing

Initial Listing Requirements



Financial Reporting

- Expand use of US GAAP for certain cases
- Relaxation of certain requirements related to US GAAP

Non-Public Filing

- Expand non-public filing options to ALL new applicants

Biotech and Specialist Tech

- Allow listing as Ch.18A or Ch.18C, even if financially eligible under ordinary route to listing

Enhanced Return Mechanism

- Display identities & roles of professional parties involved in returned application material and reasons for return

Updates to Listing Rules Requirements relating to US GAAP

Before

After

01

An applicant listed / to be listed in the US seeking a dual primary or secondary listing in Hong Kong may apply for a waiver to adopt US GAAP.



Expand the allowance of US GAAP to subsidiaries of US listed parents and companies with substantial US business operations.

01

02

US GAAP reporters must revert to HKFRS or IFRS upon a US delisting.



Requirement removed.

02

03

A reconciliation statement for unaudited financial reports must be reviewed by auditors.



Requirement removed.

03

Three Key Areas for Further Improvement

1



Listing Regime

Bringing more quality companies to Hong Kong's capital markets

2



Listed Issuers

Making Hong Kong a more issuer-friendly market while upholding high standards of investor protection

3



Capital & Liquidity

Enhancing liquidity and streamlining fundraising to support different companies throughout their lifecycles

Potential Areas of Refinement for Listing Regimes

**Chapter 18C
Specialist
Technology
Companies**



**Overseas
Listing
Applicants**

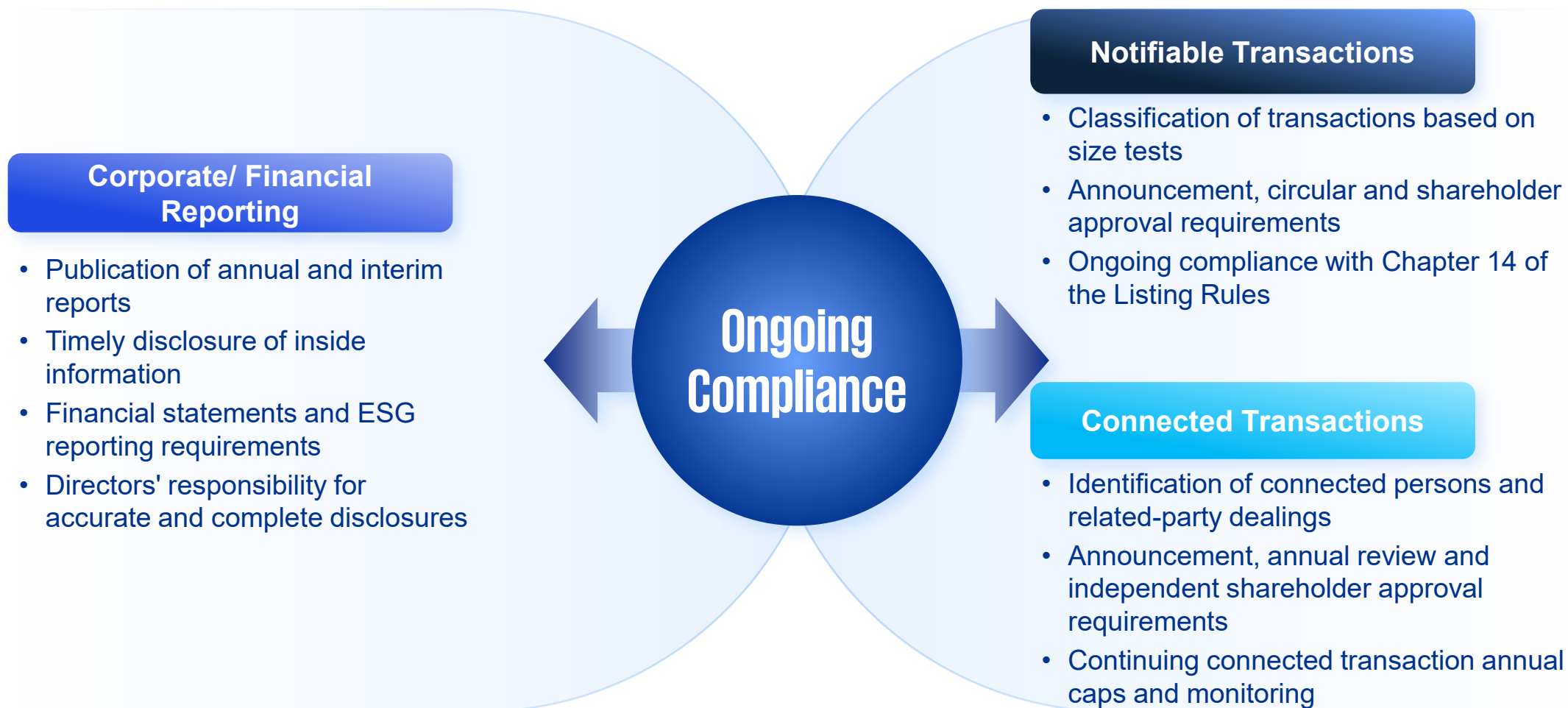


**Small and
medium
enterprises**

GEM: From Growth Market to Repositioning



Key Ongoing Compliance Requirements for Listed Issuers



Polling Question #3



Which aspect of ongoing compliance requirements for Hong Kong listed issuers do you think requires further review?

- A Notifiable Transactions
- B Connected Transactions
- C Corporate/ Financial Reporting

Notifiable Transaction Rules: Hong Kong vs. Global Peers

Notifiable Transaction Categories

- HK categorises **7 types of notifiable transactions**: Share, Disclosable, Major, VSD, VSA, Extreme and RTO
- **Both the US and UK categorise transactions into 2 types**: significant transactions and reverse takeovers/mergers

Size Tests

- **HK** adopts **5 ratios for its size test**, including assets ratio, profits ratio, revenue ratio, consideration ratio and equity capital ratio
- **UK** adopts **3 class tests**: gross asset test, consideration test and gross capital test
- **US** adopts **3 significance tests**: asset test, investment test and income test

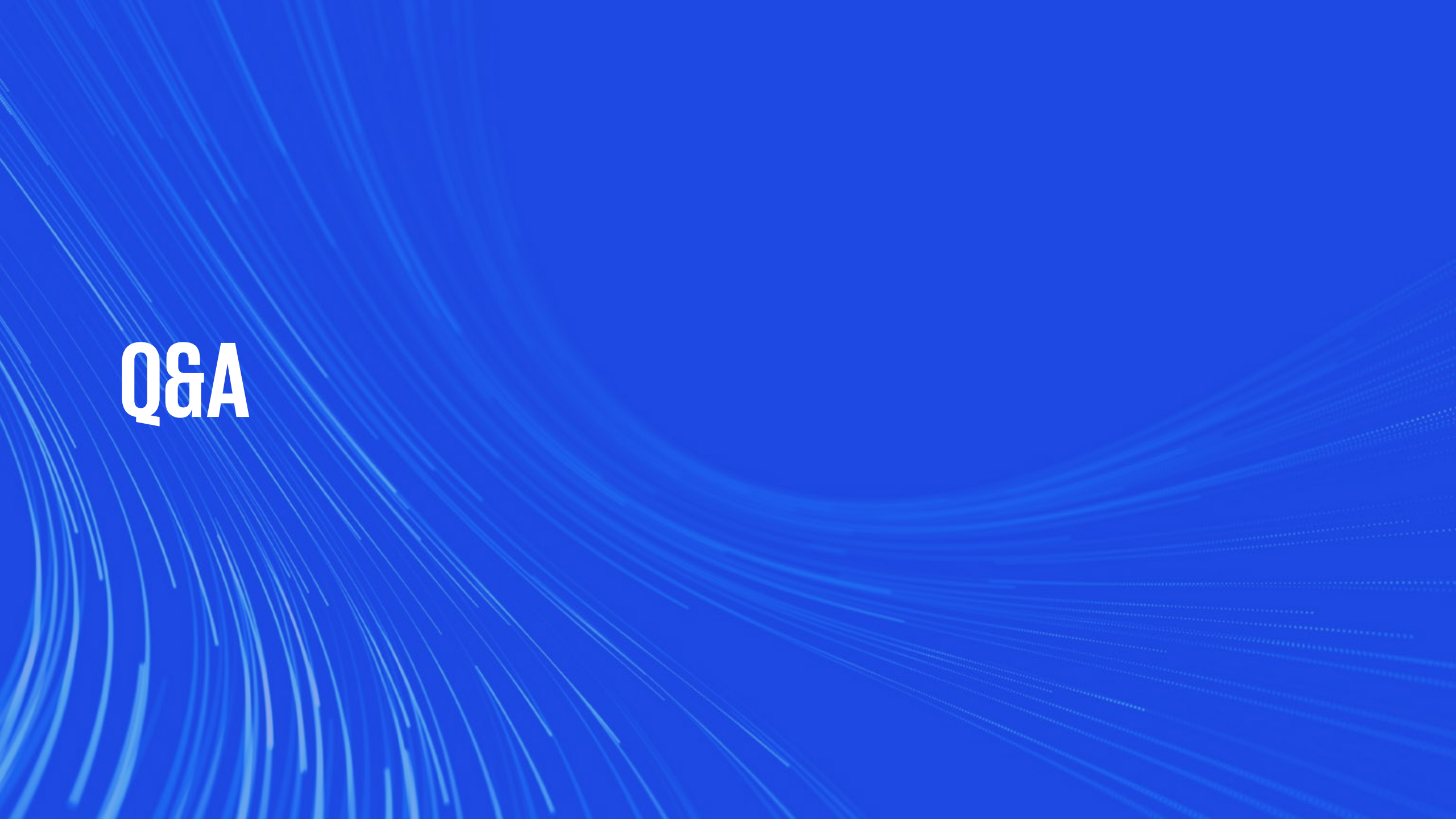
Shareholders' Approval Requirements

- **HK** requires shareholders' approval for major transactions and above (i.e $\geq 25\%$ of size test)
- **UK** only requires shareholders' approval for reverse takeovers
- **US** only require shareholders' approval when it issues securities equal to 20% or more of the issuer's existing issued share capital/voting power, or if the issue would result in a change of control of the issuer

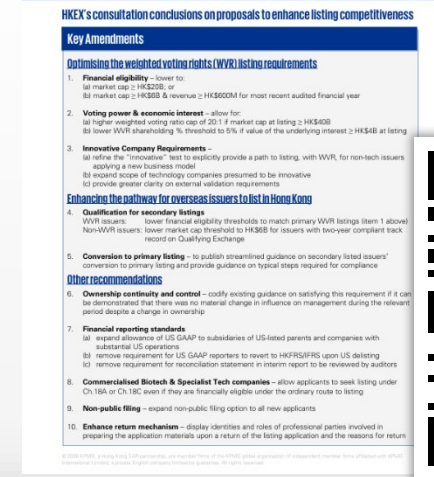
How Can Hong Kong Unlock Greater Capital Flow and Liquidity?

What structural changes are needed to attract more capital, deepen liquidity and strengthen market participation?





Q&A



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