HKEX Guidance Letter
HKEX-GL122-26

July 2026

Guidance on digital asset-related activities

I. Background and purpose

1. With the emerging technological innovation across global financial markets, the Exchange has noted a growing number of listed issuers engaging in digital asset-related activities or exploring the feasibility of such initiatives. The type of digital asset-related activities range from investments in digital assets, stablecoin issuance to tokenisation, and the creation of blockchain-based platforms.

2. The Exchange recognises the transformative potential of digital assets in driving innovations that can deliver concrete benefits to the real economy and the financial markets. At the same time, it remains committed to safeguarding investor confidence in our markets by protecting the interests of the investing public.

3. This letter provides guidance on the potential implications under the Listing Rules for new listing applicants and listed issuers, including how the relevant continuing obligations and disclosure requirements under the Listing Rules would apply in the context of digital asset-related activities undertaken by issuers.

II. Terminologies - Digital assets

4. In this guidance letter, "**digital assets**" refer to assets that: (a) are digital representation of value; (b) depend primarily on cryptography and distributed ledger technology or similar technologies; and (c) can be used for payment or investment purposes or to access goods or services.

5. A non-exhaustive list of examples of digital assets for the purpose of this guidance letter include:

   (a) tokenised real-world assets (including tokenised traditional financial instruments);
   (b) stablecoins; and
   (c) cryptoassets such as Bitcoin.

   Importantly, the term "digital assets" as used in this guidance letter is primarily for the purpose of explaining potential implications under the Listing Rules for new listing applicants and listed issuers, and is not intended to determine the classification of any asset under other regulatory regimes.

6. "**Digital asset treasury companies**" or "**DATs**", as observed in certain overseas markets, generally refer to publicly listed companies that invest in and accumulate substantial holdings of digital assets as their principal business. Such companies typically (i) do not have other substantive operating businesses apart from holding digital assets; or (ii) maintain other business operations where their digital asset holdings are unrelated to such other business activities.

III. Guidance

A. Issues relating to suitability for listing / continued listing

Listing Rule implications for new applicants

7. Companies applying for listing under the Listing Rules must demonstrate that both the listing applicant and its business are, in the opinion of the Exchange, suitable for listing[1]. Where a new listing applicant primarily adopts an operation model similar to a DAT, whose business involves primarily the buying and holding of digital assets, it will unlikely be considered as having a business suitable for listing under Chapter 8 of the Listing Rules[2]. Considerations relating to cash companies (see paragraphs 13 to 16 below) would also be taken into account when assessing new listing applications.

8. For the avoidance of doubt, SFC-authorised exchange-traded funds investing in digital assets may be listed for trading on the Exchange under Chapter 20 of the Listing Rules. Accordingly, a company operating a model similar to a DAT should carefully consider whether its activities may constitute a collective investment scheme under the SFO and note that an offering of interests in a collective investment scheme to the public in Hong Kong without the SFC's authorisation may be unlawful.

Listing Rule implications for listed issuers

9. Upon listing, listed issuers have a continuing obligation to ensure that they carry on a business to support their continued listing on the Exchange. This is fundamental in ensuring that a fair and orderly market can always be maintained. The following sets out certain areas and circumstances which may potentially raise questions on a listed issuer's suitability for listing[3] when it undertakes digital asset-related activities as its business.

Sufficiency of operations

10. Under the Listing Rules[4], an issuer is required to carry out a business with sufficient level of operations and assets of sufficient value to support its operations (i.e. a business that is of substance, and is viable and sustainable) to warrant the continued listing of the issuer's securities. If an issuer fails to meet such requirement, the Exchange may consider that the issuer or its business is no longer suitable for listing and thereby suspend dealings in its securities or cancel their listing[5].

11. In the context of an issuer engaging in digital asset-related activities, in assessing whether it maintains a sufficient level of operations, acquisitions or disposal of digital assets for investment purpose would generally be treated as similar to securities and other comparable investments. These represent assets that are not related to its principal business, and are normally excluded in the assessment[6]. Accordingly, where an issuer adopts an operation model similar to a DAT, i.e. primarily holding digital assets unrelated to its business operations or holding digital assets without any substantive business operations, such an issuer will likely

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1 MB Rule 8.04 (GEM Rule 11.06(1)).
2 MB Rule 8.05C (GEM Rule 11.06).
3 See also the Exchange's Guidance on listed issuer's suitability for continued listing (HKEX-GL96-18) for further guidance on the general approach relating to the Exchange's assessment of the suitability of a listed issuer or its business for continued listing.
4 MB Rule 13.24(1) (GEM Rule 17.26(1)).
5 MB Rule 6.01 (GEM Rule 9.01).
6 MB Rule 13.24(2) (GEM Rule 17.26(2)).

not be considered as having a business of substance suitable for listing. In such case, the Exchange may suspend dealings in the issuer's securities or cancel their listing.

12. For further guidance, please also see the Exchange's Guidance on Sufficiency of Operations (HKEX-GL106-19).

Cash companies

13. Under the Listing Rules, a listed issuer[7] whose assets consist wholly or substantially of cash and/or short-term investments[8] will be regarded, by the Exchange, as a "cash company" that is not suitable for listing[9].

14. Digital assets held by listed issuers for investment purpose will likely fall within the scope of "cash and/or short-term investments" for the purpose of this assessment. Accordingly, a listed issuer that holds substantial portion of digital assets for investment purpose may give rise to concerns regarding its suitability for listing, particularly if those holdings (when taken together with other cash and/or short-term investments) represent a very large portion of its total assets.

15. In assessing whether an issuer is a cash company, the Exchange will apply a principle-based approach[10]. Consideration will be given to the facts and circumstances of the company's business, operation and financial position together with the reason(s) for the issuer to hold the digital assets.

16. If a listed issuer is found to be a cash company, investors are essentially trading on the cash (or cash equivalent) held by such listed issuer which can lead to opportunities for market manipulation and therefore trading in its securities should be suspended. Once suspended, the listed issuer may apply to lift the suspension if it can demonstrate to the Exchange that it has a business suitable for listing. The Exchange will consider the business as if it were a new listing application in order to lift the suspension, and the listed issuer would be required to comply with all new listing requirements and issue a new listing document[11].

Circumvention of new listing requirements

17. Where a listed issuer acquires a business holding wholly or substantially of digital assets of a significant size, such an acquisition may also be viewed by the Exchange as an attempt to achieve a listing of the target business / assets, if the issuer's existing principal business would become immaterial after the transaction. Subject to assessment of other facts and circumstances, the transaction may potentially be treated as a reverse takeover, and the issuer would be required to comply with the new listing requirements as if it were a new applicant[12].

18. In addition, where a listed issuer proposes a large scale issue of new securities (including any shares, warrants, options or convertible securities) for cash to acquire and/or develop a new business, which, in the opinion of the Exchange, is a means to circumvent the new listing requirements and to achieve a listing of that new business, the Exchange may not grant approval for listing of the shares to be issued.[13]

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7 Other than an investment company listed under MB Rule Chapter 21 or a special purpose acquisition company (i.e. a SPAC) listed under MB Rule Chapter 18B, which is a newly-formed cash company without a track record of operations.

8 Under Note 2 to MB Rule 14.82 (GEM Rule 19.82), "short-term investments" include securities that are held by the issuer for investment or trading purposes and are readily realisable or convertible into cash.

9 MB Rule 14.82 (GEM Rule 19.82).

10 Note 1 to MB Rule 14.82 (GEM Rule 19.82).

11 MB Rule 14.84 (GEM Rule 19.84).

12 See also Exchange's Guidance on Application of the Reverse Takeover Rules (HKEX-GL104-19) for further guidance on the application of the reverse takeover Rules and related requirements.

13 MB Rule 14.06D (GEM Rule 19.06D).

19. Accordingly, where a listed issuer transforms its business into one that engages primarily in holding digital assets without any other substantive business (including where the listed issuer issues a substantial amount of new shares and uses the proceeds towards the acquisition of digital assets), it may fall within this prohibition.

B. Notifiable and Connected Transactions

20. An acquisition or disposal of digital assets is generally considered to be an acquisition or disposal of assets by listed issuers and falls within the scope of "transactions" subject to the notifiable transaction rules and connected transaction rules under Chapters 14 and 14A of the MB Listing Rules (Chapters 19 and 20 of the GEM Listing Rules). This is regardless of whether the transaction is conducted for investment or treasury purposes, or for the purpose of future distributions to reward their shareholders.

21. Where an acquisition or disposal of digital assets constitutes a transaction under Chapters 14 and/or 14A of the MB Listing Rules (Chapters 19 and/or 20 of the GEM Listing Rules), listed issuers are reminded that they must comply with the applicable disclosure and shareholder approval requirements[14] for the relevant acquisitions or disposals of digital assets based on the size of the transaction. Where the acquisitions or disposals involve the same type of digital assets, listed issuers should also observe the applicable aggregation rule if the transactions are conducted within a 12-month period[15].

22. In addition, where shareholders' approval requirement is applicable, listed issuers should note that obtaining an advance "blanket approval" with no key transaction terms from shareholders to acquire and/or dispose of one or more types of digital assets over an extended period is generally not acceptable, as absent of any key terms of the transactions, shareholders would unlikely be provided with sufficient information to make an informed voting decision on the proposed transactions. The Exchange will examine issuers' proposals to seek "advance shareholders' mandate" with key transaction terms cautiously and will not accept any proposal that exhibits characteristics of abuses or non-compliance with the Listing Rules.

23. For the avoidance of doubt, acquisition or disposal of digital assets classified as cash or cash equivalent on the issuer's financial statements which are:

    (a) central bank digital currencies; or

    (b) other forms of digital representation of monetary value that are authorised or otherwise subject to prudential supervision by a central bank, monetary authority or other competent financial regulator in the relevant jurisdiction, where such digital representation of value is designed primarily for payment or settlement purposes and are redeemable at par value in the relevant fiat currency[16],

    by a listed issuer would not normally be considered as a transaction under Chapter 14 of the MB Listing Rules (Chapter 19 of the GEM Listing Rules).

C. Recommended disclosure relating to digital asset-related activities

24. Under the Listing Rules, the general principles emphasise the importance of giving investors

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14 MB Rules 14.33 and 14A.32 (GEM Rules 19.33 and 20.30).
15 MB Rules 14.22 and 14A.81 (GEM Rules 19.22 and 20.79).
16 An example of such digital representation of monetary value in Hong Kong is any stablecoin the issuance of which is authorized by a licence granted under the Stablecoins Ordinance (Cap. 656).

sufficient information to make an assessment of the issuer and keeping them fully informed of material factors which might affect their interests.[17] The information provided must be accurate, complete in all material respects, and not be misleading or deceptive.[18] Listed issuers should observe the general principles as and when they make disclosure in relation to digital asset-related activities that they have engaged in, or propose to engage in, and ensure that the disclosure is concise and uses plain language when explaining the nature, purpose, and expected impact of the digital asset-related activities. This Section C sets out the recommended disclosures in relation to digital asset-related activities to assist issuers in complying with these general principles. For the avoidance of doubt, an issuer is not required to make any disclosure solely because it engages in digital asset-related activities. The guidance in this Section C applies only where disclosure is otherwise required under the Listing Rules (e.g. if the digital asset-related activities constitute a notifiable transaction under Chapter 14) or other laws and regulations, or where an issuer makes any disclosure on a voluntary basis.

25. Where the digital asset-related activities involve novel and unusual features, issuers undertaking such activities are expected to exercise due care in providing clear and balanced disclosure, so as to enable investors to properly understand the implications of the activities and to promote a fair and orderly market.

26. When issuers engage, or plan to engage, in digital asset-related activities, they should ensure that the disclosure include, among others, the following information to the extent relevant to the issuers' circumstances (see also paragraph 27 below which sets out the guidance on the additional disclosure expected for certain specific types of digital asset-related activities):

    (a) detailed description of the digital asset-related activities and the underlying operation (including the roles and responsibilities of the listed issuer and those of the other key parties);

    (b) the listed issuer's strategy and reasons for the proposal, including an explanation from the board of directors as to why the proposal is in the interests of the listed issuer and its shareholders and the expected source of fundings;

    (c) the management's expertise and experience in managing the proposed activities;

    (d) the material risks associated with the proposed activities and the related mitigation measures;

    (e) the risk management and internal control systems implemented or to be implemented by the listed issuer to deal with the identified risks and safeguard the listed issuer's assets (for example, custody and security arrangements for holding the digital assets and ongoing monitoring mechanism)[19];

    (f) the applicable legal and regulatory requirements for engaging in the proposed digital asset-related activities and confirmation as to whether relevant laws and regulations have been complied with; and

    (g) the timeline of the digital asset-related activities, including the key milestones and the expected completion date.

[17] MB Rule 2.03 (GEM Rule 2.06).
[18] MB Rule 2.13 (GEM Rule 17.56).
[19] See Section E (Risk Management and Internal Control) of this Guidance Letter for the guidance on risk management and internal controls systems for issuers engaging in digital asset-related activities.

27. In addition, where the proposed digital asset-related activities relate to:

    (a) acquisition of digital assets by the listed issuer (particularly when the acquisition results in substantial holdings of digital assets relative to an issuer's total assets), sufficient information must be provided to investors to enable an assessment on how the digital assets will be used, including whether the digital assets are:

        (i) integral to the issuers' business operations, in which case the listed issuer should disclose the specific purposes that those digital assets would serve as part of the issuer's past and future business strategies[20], and provide a breakdown of the amount and expected timing of the deployment of those digital assets (if applicable); or

        (ii) held for treasury management or investment purposes, in which case the listed issuer should disclose: (1) the issuer's overall treasury management strategy and the role of digital assets within that strategy; (2) any investment limits or caps; and (3) the source of funds used for acquiring the digital assets (including whether any external financing or loans are involved); and

    (b) tokenisation of real world assets, in which case the listed issuer should disclose: (i) the identity of the issuer of the tokens; (ii) information on the assets being tokenised (including who owns those assets and how the assets would be held, e.g. any custodian arrangements); (iii) rights attached to the tokens (including whether the token may be redeemed for the underlying asset); (iv) trading arrangements for the tokens (including who the tokens would be marketed to and the blockchain platform used; and (v) other principal terms of the arrangements.

28. Issuers should avoid:

    (a) making disclosure that could mislead investors or create unrealistic expectations, especially when the transaction is at a preliminary or conceptual stage and devoid of details. Where public disclosure on the potential plan to engage in digital asset-related activities is being made, the issuer should include the recommended disclosure as set out above, where applicable, and keep the market informed of material developments in its proposal by issuing further announcements and provide regular updates in its financial reports; and

    (b) making disclosure with generic or boilerplate descriptions, particularly when explaining the rationale on undertaking the digital asset-related activities and how the digital assets to be acquired or developed would be integrated into their operations.

D. Other Listing Rules implications for listed issuers engaging in digital asset-related activities

29. There may be other implications under the Listing Rules that will apply to listed issuers engaging in digital asset-related activities. Issuers are reminded of the following non-exhaustive areas.

[20] For example, for a listed issuer operating gaming platform, whether the digital assets would be deployed as in-game rewards to attract and retain users. For a listed issuer developing Web3 applications on a blockchain infrastructure, whether and how digital assets will be used to pay transaction fees and execute smart contracts on that infrastructure.

Distribution of digital assets

30. Where a listed issuer proposes to distribute digital assets (including but not limited to tokenised assets) to its shareholders by way of distribution in specie, the issuer must ensure that all shareholders are treated fairly and equally[21] under the proposal.

31. The Exchange would have concerns if the objectives and reasons for the distribution in the form of digital assets are unclear, and no reasonable cash alternative is offered to the shareholders. This is particularly the case where certain shareholders are not expected to be eligible to receive the distribution in the form of digital assets due to regulatory or other restrictions, or where the arrangements raise questions as to whether shareholders would be able to readily hold the title and/or subsequently realise value from the distributed digital tokens, taking into account factors such as the accessibility and liquidity of the market for the relevant tokens.

Continuing disclosure

32. When listed issuers propose to issue equity securities to fund any acquisitions of digital assets for their business operation, the announcement should, in addition to the information required under the Listing Rules[22] in the case of securities issuance for cash, include the relevant disclosure referred to under Section C (*Recommended disclosure relating to digital asset-related activities*) above.

33. Listed issuers should also report on their use of proceeds in subsequent annual reports[23], including the details of the digital assets acquired and the purposes for which they are used during the financial year (for example, status of the deployment of the digital assets, in the case of an acquisition of digital assets integral to the issuer's business operations).

34. Further, for listed issuers holding digital assets, the annual report disclosure requirement applicable to significant investments would apply if the holding of a particular digital asset represents a value of 5 per cent or more of the issuer's total assets as at the relevant year end date[24].

E. Risk Management and Internal Control

35. Lastly, issuers are reminded to establish and maintain adequate risk management and internal controls (**RMIC**) systems[25].

36. Issuers engaging in digital asset-related activities should identify, evaluate and manage the specific risks arising from such activities. Appropriate RMIC measures commensurate with the nature, scale and complexity of the activities should be put in place to deal with the identified risks, including where applicable:

    (a) proper consideration and assessment of the applicable laws and regulations to ensure compliance, including requirements under the Listing Rules relating to announcements, circulars and shareholders' approvals (if applicable), any licensing and regulatory

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21 MB Rule 2.03 (GEM Rule 2.06).
22 MB Rule 13.28 (GEM Rule 17.30).
23 Paragraph 11 of Appendix D2 to MB Rules (GEM Rule 18.32).
24 Paragraphs 32(4) and (4A) of Appendix D2 to MB Rules (GEM Rules 18.41(4) and 18.41(4A)).
25 See paragraph H of the Mandatory Disclosure Requirements in Part 1 of the Corporate Governance Code and Principle D.2 of the Principles of Good Corporate Governance in Part 2 of the Corporate Governance Code. See also other guidance from the Exchange (including the Corporate Governance Guide for Boards and Directors, Practical Tips to Effective Risk Management & Internal Control Systems, Listing Regulation and Enforcement Newsletters and other publications relating to risk management and internal control).

requirements as required by the Securities and Futures Commission and the Hong Kong Monetary Authority and anti-money laundering and counter-terrorist financing requirements (where applicable), as well as all other relevant legal and regulatory requirements in applicable jurisdictions;

(b) supervision of the digital asset-related activities has been appropriately delegated to a sufficient number of designated staff with the necessary experience, expertise and capability to oversee the activities, having regard to their scale and complexity, and approval thresholds (including for the board of directors) and maximum risk exposure have been properly set (taking into account price volatility or liquidity risk of the digital assets, including the risk that such assets may experience significant fluctuations in value or may not be readily convertible into cash or other assets in a timely manner or at expected prices);

(c) proper due diligence and ongoing monitoring is conducted on the counterparties and service providers engaged for the digital asset-related activities, to ensure that they are competent to support the relevant activity and if applicable, appropriately licensed by the relevant authorities (such as the SFC or the HKMA);

(d) the digital assets held by the listed issuer are properly safeguarded, including having comprehensive security measures (e.g. custodian and wallet arrangements, arrangements to ensure that the seeds and private keys are securely stored and tightly restricted to authorised personnel, with appropriate controls to prevent fraud, misappropriation or collusion and properly backed up to mitigate any single point of failure) to safeguard the digital assets (including safeguards from cybersecurity risks in a manner commensurate with their nature, e.g. digital assets in bearer form warrant more robust safeguards than ones in non-bearer form); and

(e) processes are put in place to identify and escalate material issues or red flags to the board of directors / management so that potential fraud, misconduct and loss can be timely detected to protect shareholders' interests, including where appropriate, procedure on when to involve professional advisers (e.g. auditors for impairment assessment, legal advisor for advice on the legal ownership, transferability and enforceability of rights in respect of the digital assets and any underlying assets, any custody and enforceability risks or regulatory implications).