8 May 2026

**Hong Kong Exchanges and Clearing Limited**

**By email to HKEX Listing Division / Ms Katherine Ng (Head of Listing)**

## Re: ASIFMA Response to HKEX's Consultation on Listing Framework Competitiveness Review

Dear Sirs/Madams,

We refer to the Consultation Paper titled "Listing Framework Competitiveness Review" (the "**Consultation**") published in March 2026 by Hong Kong Exchanges and Clearing Limited ("**HKEX**" or the "**Stock Exchange**").

On behalf of members of the Equity Capital Markets Committee ("**ECMC**") of Asia Securities Industry & Financial Markets Association (**ASIFMA**), we are submitting this response to the Consultation. Unless otherwise indicated, the terms used in this response will have the meanings defined in the Consultation and references to "**our members**" include those in the ECMC. Linklaters has assisted us in preparing and coordinating this response.

The issues raised by the HKEX in the Consultation generally resonate with members in ECMC (representing the sell side). They highly encourage the general direction that the HKEX is taking in enhancing the competitiveness of the Hong Kong listed securities market for prospective issuers.

Yours sincerely,

[redacted]

| No. | Questions and Response |
|---|---|
| **1** | Do you agree that the WVR Financial Eligibility Test thresholds should be lowered?<br>Please give reasons for your views and any alternative suggestions. |
| | For Q1, our members welcome the proposal to lower the WVR Financial Eligibility Test thresholds.<br>As a general point, there are largely two schools of thought among our members regarding the proposals contained in the Consultation concerning companies with WVR structures (“**WVR Consultation Proposals**”).<br>One group (“**Group A**”) supports the WVR Consultation Proposals and favours further relaxation of those proposals, including the financial eligibility requirement for WVR issuers, to further align the Hong Kong market with major international and the A-share markets, in particular Star Market and ChiNext Market. The aim is to ensure that Hong Kong remains an attractive listing venue for innovative issuers.<br>Another group (“**Group B**”) is of the view that the WVR Consultation Proposals achieve the goal of seeking a balance between mitigating the risks associated with WVR structures and attracting innovative companies to list in Hong Kong. Further relaxation of the eligibility requirements and voting power restrictions may risk allowing lower-quality, smaller-cap companies to qualify for listing under the Hong Kong WVR regime. This group supports the view that WVR structures should be tightly controlled as they are more susceptible to weaker board oversight and more resistant to shareholder accountability. |
| **2** | If your answer to Question 1 is “yes”, do you agree with the proposed WVR Financial Eligibility Test thresholds (as set out in paragraph 91 of the Consultation Paper)?<br>Please give reasons for your views and any alternative suggestions. |
| | (A) Group A supports the proposal and recommends lowering the WVR Financial Eligibility Test thresholds even further as follows:<br>(i) WVR Test A should be reduced to at least HK$10 billion at the time of listing, with reference to key peer market standards. As identified in the Consultation, the US markets do not impose financial eligibility thresholds requirements for WVR issuers, while STAR Market and ChiNext Market in Mainland China set a lower RMB10 billion for “market capitalisation only” threshold for WVR issuers.<br>Further, it is observed that some reputable WVR issuers listed on A-share markets (such as Beijing Jingwei Hirain Technologies Co., Inc, a PRC-based automotive electronics solutions provider listed on STAR Market (stock code: 688326.SH)) currently have market capitalisations below HK$20 billion. These companies may not satisfy the eligibility requirements for an H-share listing on the Stock Exchange under the proposed WVR Test A.<br>(ii) The revenue requirement of WVR Test B should be reduced to at least HK$500 million at the time of listing, with reference to the positions taken by peer markets in STAR Market and ChiNext Market in Mainland China.<br>Group A submits that further lowering the WVR Financial Eligibility Test thresholds will likely keep the Stock Exchange attractive for more A+H WVR issuers and |

| | |
|---|---|
| | strengthen Hong Kong's competitiveness among leading international capital markets.<br>(B) Group B expresses support for the WVR Consultation Proposals, recognising that they already represent a substantial recalibration from the current thresholds. It is observed that the proposed Test A threshold is already slightly lower than that of the A-share Main Boards after taking into account exchange rate differences, while the proposed Test B thresholds are considerably lower than A-share Main Boards' thresholds, and in-line with STAR Market and ChiNext Market thresholds. Further reductions may undermine the aim of achieving the balance between enhancing competitiveness and investor protection, especially in mitigating the proliferation risk for WVR structures.<br>Furthermore, there are concerns that issuers may artificially inflate their market capitalisations (e.g., through "friendly" deals) to meet reduced thresholds. |
| **3** | Do you agree with the proposal to accept a 20:1 WVR Ratio Cap if an applicant has a market capitalisation of at least HK$40 billion at the time of listing (see paragraph 103 of the Consultation Paper)?<br>Please give reasons for your views and any alternative suggestions. |
| | (A) Group A recommends that the 20:1 WVR ratio cap may be expanded to applicants with a market capitalisation no less than HK$20 billion at the time of listing, that is, all WVR issuers that satisfy the proposed new Test A threshold may enjoy the higher WVR ratio cap. This proposal is informed by practices adopted by other major peer international exchanges, such as those in the UK and U.S., where no voting power ratio restrictions are imposed on WVR issuers.<br>(B) Group B expresses support for the WVR Consultation Proposal that reserves a 20:1 WVR ratio cap for applicants with sufficiently large market capitalisations, as a measure to manage risks of expropriation and entrenchment. It is observed that the regulations for the A-share market impose a 10:1 WVR ratio cap, and it does not permit a higher cap such as 20:1. |
| **4** | Do you agree with the proposal that the Exchange may be prepared to accept the listing of an applicant whose WVR beneficiaries collectively hold a lower minimum economic interest at listing only if such lower underlying economic interest, at the time of the applicant's initial listing: (a) represents at least 5% of the applicant's total issued share capital; and (b) has an amount of at least HK$4 billion (see paragraph 105 of the Consultation Paper)?<br>Please give reasons for your views and any alternative suggestions. |
| | Yes. Our members support this proposal. However, note that should the Stock Exchange adopt the proposal suggested by Group A in Q.3, corresponding amendments will be required for limb (b) of this minimum economic interest requirements. |
| **5** | Do you agree with the proposal to provide a choice of Route A and Route B that applicants can use to meet the Innovative Company Requirements (as set out in paragraph 126 of the Consultation Paper)?<br>Please give reasons for your views and any alternative suggestions. |
| | (A) Group A observes that the "new business model" noted in Route B lacks clarity and in practice may be difficult to apply. It is noted that certain issuers with WVR structures from comparatively traditional industries (for example, Yum China |

| | |
|---|---|
| | Holdings, Inc. and H World Group Limited) have previously been accepted for listing on the Stock Exchange. In light of this, it is recommended that the Stock Exchange explore the possibility of relaxing the Innovation Characteristics requirements and consider only market capitalisation, revenue (etc.) qualification standards.<br><br>(B) Group B notes that the Consultation highlights that the establishment of the Hong Kong WVR regime is to facilitate the listing of "new economy" companies from emerging and innovative sectors. Accordingly, eligibility for listing under this regime should remain contingent upon meeting the Innovative Characteristics requirement. Removing the Innovative Characteristics test for Route B would significantly dilute this regime's core mandate, opening the WVR structure to any company meeting financial thresholds or other criteria, regardless of its innovativeness profile.<br><br>It is further observed that "Route B" is not a new construct, but rather an integral part of the existing Innovative Company Requirements (as set out in paragraph 4 of Chapter 2.2 of the Guide for New Listing Applicants). Group B supports the Exchange's initiative to refine and develop on this established principle further, thereby ensuring that companies with innovative technologies or business models are subject to more appropriately tailored requirements.<br><br>Moreover, Group B considers the Stock Exchange's proposal for Route B has already incorporated objective criteria including the "CAGR Growth Characteristic" and "Industry Position Characteristic", both of which provide objective and measurable standards.<br><br>One other separate suggestion is to consider allowing an overseas-listed applicant to retain its WVR structure when seeking a dual primary listing on the Stock Exchange provided it has been listed for over a prescribed period and has a clean, solid compliance track record without material legal compliance issues. This approach would align dual primary listing standards with those for secondary listings. |
| **6** | If your answer to Question 5 is "yes", in respect of Route A, do you agree with:<br>(a) the proposed retention of the current Specialist Company Presumptions (as set out in paragraph 127(a) of the Consultation Paper)?<br>(b) the proposed "innovative" presumption for Qualified Biotech Applicants and Qualified Specialist Technology Applicants (as set out in paragraphs 127(b), 132 and 133 of the Consultation Paper)?<br>(c) the proposed refinements to the Innovative Characteristics that are applicable to Route A (as set out in paragraphs 127(c), 129 and 130 of the Consultation Paper)?<br>Please give reasons for your views and any alternative suggestions. |
| | Yes. Our members support this proposal. |
| **7** | If your answer to Question 5 is "yes", do you agree with:<br>(a) the proposed refinements to the Innovative Characteristics that are applicable to Route B (as set out in paragraphs 129 and 131 of the Consultation Paper)?<br>(b) the proposed guidance on the meaning of a "sophisticated investor" for the purpose of the "external validation" requirement (as set out in paragraph 134 of the Consultation Paper)? |

| | |
|---|---|
| | (c) the proposed guidance on what constitutes “meaningful third-party investment” for Route B applicants for the purpose of the “external validation” requirement (as set out in paragraph 135 of the Consultation Paper)?<br>Please give reasons for your views and any alternative suggestions. |
| | Yes. Our members support this proposal. |
| **8** | If your answer to Question 2 is “yes”, do you agree with the proposal to lower the financial eligibility thresholds for a secondary listing of an overseas issuer with a WVR structure to align them with those proposed for WVR issuers with a primary listing (see paragraph 173 of the Consultation Paper)?<br>Please give reasons for your views and any alternative suggestions. |
| | Yes. Our members support this proposal. |
| **9** | If your answer to Question 8 is “yes”, do you agree with the proposal to lower the market capitalisation threshold under Criteria B from HK$10 billion to HK$6 billion (see paragraph 177 of the Consultation Paper)?<br>Please give reasons for your views and any alternative suggestions. |
| | Our members in general support this proposal.<br>A member submits that the market capitalisation threshold under Criteria B should be reduced further from the proposed HK$6 billion to HK$4 billion, to align with the threshold contained in Rule 8.05(3). The considerations in support of this proposal are:<br>(i) First, analogous to the proposal set out in question 8 – which recommends lowering the financial eligibility thresholds for secondary listings by companies with a WVR structure and aligning them with those for primary WVR listings – HKEX should also ensure that the financial eligibility requirements for non-WVR issuers are consistent.<br>(ii) Second, non-WVR overseas issuers are currently able to seek a primary listing in Hong Kong by meeting the HK$4 billion market capitalisation requirement under Rule 8.05(3). Should the proposed amendment in Question 9 be adopted, the threshold for secondary listing would nevertheless remain higher than that for primary listings, which is not reasonable.<br>It is submitted that aligning the market capitalisation threshold as described would create a fair and favourable environment and is likely to attract more non-WVR overseas issuers to pursue a secondary listing in Hong Kong.<br>Another member acknowledges and supports the reasoning behind the Stock Exchange’s proposal in question 8 to lower the financial eligibility thresholds for secondary listings by companies with WVR structures and aligning them with those set for primary listings, as the thresholds for WVR issuers in both secondary (MB Rule 19C.05) and primary listings (MB Rule 8A.06) are identical in the current rules. Nevertheless, it is noted that the financial eligibility thresholds for non-WVR issuers in secondary and primary listings are not directly comparable due to their structural differences. |
| **10** | Do you agree with the proposal to retain the market capitalisation threshold under Criteria A (see paragraph 178 of the Consultation Paper)?<br>Please give reasons for your views and any alternative suggestions. |
| | Yes. Our members support this proposal. |

| | |
|---|---|
| **11** | What measures (if any) do you think the Exchange should implement to further facilitate the listings, in Hong Kong, of issuers listed overseas (see paragraphs 198 and 199 of the Consultation Paper)?<br>Please give reasons and specify any accompanying conditions for your suggested measures. |
| | We set out below several recommendations from our members for the consideration of the Stock Exchange.<br>> Adopting a model analogous to the proposed establishment of the Global Listing Board (**GLB**) in Singapore. The GLB proposals are designed to align the listing requirements of SGX and NASDAQ, thereby establishing a new streamlined mechanism for high-quality NASDAQ issuers to access investors in the Asian time-zone. Under this framework, securities would be of the same class as those listed on NASDAQ and would be settled through DTCC. SGX, together with the domestic Central Securities Depository (CSD), CDP, have developed a structure enabling securities such as ADRs listed on NASDAQ to become eligible within the domestic CSD via their link with DTC.<br>Currently, HKEX operates a model, aside from Stock Connect, in which CCASS serves as the primary depository for securities listed and traded on HKEX. Implementation of a GLB-like model would permit, for example, ADRs to be listed on HKEX as well. Such a framework would considerably reduce the complexities faced by overseas issuers seeking a secondary listing on the HKEX.<br>> Extending the accelerated vetting process currently available to eligible A-share listed companies (with 1 round of regulatory comments) to overseas-listed issuers, with the scope of such exchanges clearly defined. |
| **12** | Do you agree with the proposal to codify the existing guidance into a Rule to state that an applicant will be considered to have satisfied the Ownership Continuity Requirement if it can demonstrate, to the Exchange's satisfaction, that there was no material change in influence on management during the Relevant Period despite the change in controlling shareholder over that period to address any packaging concerns (see paragraphs 205 and 206 of the Consultation Paper)?<br>Please give reasons for your views and any alternative suggestions. |
| | Yes. Our members support this proposal. |
| **13** | If your answer to Question 12 is "yes", do you agree with the proposed consequential updates to our guidance (as set out in paragraph 207 of the Consultation Paper)?<br>Please give reasons for your views and any alternative suggestions. |
| | Yes. Our members support this proposal. |
| **14** | Do you agree with the proposal to expand the permitted use of US GAAP (as set out in paragraph 213 of the Consultation Paper)?<br>Please give reasons for your views and any alternative suggestions. |
| | Yes. Our members support this proposal. |
| **15** | Do you agree with the proposal to remove the requirement that a US-listed issuer using US GAAP must revert to preparing financial statements using HKFRS or IFRS if it subsequently delists from the US (see paragraph 214 of the Consultation Paper)? |

| | |
|---|---|
| | Please give reasons for your views and any alternative suggestions. |
| | Yes. Our members support this proposal. |
| **16** | Do you agree with the proposal to remove the requirement for a Reconciliation Statement produced for the purpose of unaudited financial results to be reviewed by auditors (see paragraph 215 of the Consultation Paper)?<br>Please give reasons for your views and any alternative suggestions. |
| | Yes. Our members support this proposal. |
| **17** | Do you agree with the proposal to allow Eligible Specialist Companies to seek a listing under the applicable Specialist Chapters (see paragraph 232 of the Consultation Paper)?<br>Please give reasons for your views and any alternative suggestions. |
| | Yes. Our members support this proposal. |
| **18** | If your answer to Question 17 is "yes", do you agree with the proposed modifications to the additional requirements under the Specialist Chapters to be imposed on Eligible Specialist Companies (as set out in paragraph 233 of the Consultation Paper)?<br>Please give reasons for your views and any alternative suggestions. |
| | Yes. Our members support this proposal. |
| **19** | Do you agree with the proposal to remove the Publication Requirements for all listing applicants, such that a listing applicant (including a listing applicant associated with an Issuer-related Listing Application) may choose not to publish its AP at the time it submits its listing application, in which case it would only be required to publish an OC Announcement on the same date as it publishes its PHIP (as set out in paragraph 260 of the Consultation Paper)?<br>Please give reasons for your views and any alternative suggestions. |
| | Our members recognise the Stock Exchange's rationale for extending confidential filing to all IPO applicants. There is general support for initiatives that align the Hong Kong market with its international counterparts and for measures that enhance the efficiency and appeal of Hong Kong's capital markets. The adoption of confidential filings also brings Hong Kong's practices in line with those of other major global markets such as the United States, United Kingdom, and Singapore, which is an important factor in maintaining Hong Kong's competitiveness as an international financial centre.<br>Confidential filing offers distinct advantages, including mitigating the risks associated with premature disclosure of sensitive commercial information and other external disruptions during the vetting process.<br>Our members note the Stock Exchange has indicated that there is no material difference in the quality of draft prospectuses submitted confidentially as compared to those submitted publicly.<br>In implementing a broader confidential filing regime, our members encourage the Stock Exchange and the SFC to provide clear guidance to the market that the confidentiality option does not dilute regulatory expectations regarding the quality of listing applications or the due diligence standards applicable to listing applicants, sponsors and other professional advisers.<br>Our members also observe that the implementation of confidential filing may present certain practical difficulties and require changes to established investor outreach |

| | |
|---|---|
| | practices. Recent experience with Chapters 18A/18C confidential A1 filings shows that there are additional layers of requirements during investor outreach, more process demands and heavier workload associated with investor NDAs (in the A to H listing context, it may involve suspension of A share trading).<br>Should confidential A1 filing be permitted for all listing applications, sponsors, overall coordinators and capital market intermediaries would need to be able to engage prospective investors within clear, appropriate and practical parameters. It would be beneficial for the industry if the Stock Exchange and the SFC were to provide guidance or framework for pre-marketing investor engagement during the confidential filing period (including the scope of information and recipients and the relevant controls and record-keeping expectations). ASIFMA would welcome the opportunity to engage with the Stock Exchange and the SFC on the industry's investor communication guidelines and practice, with the aim of facilitating implementation of the proposed regime and consideration for a streamlined confidentiality process under the regime that balances regulatory requirements and practical considerations.<br>One alternative suggestion is that the Stock Exchange adopts a hybrid approach, where a majority of A1 filings continue to remain public filings, but confidential filings would be allowed under clear, pre-defined criteria. These include: (i) applicants seeking dual primary listings; (ii) applicants whose market capitalisation at listing exceeds a certain threshold; (iii) cases where applicants that can demonstrate it would be subject to undue legal/ regulatory burden if filing is made public; (iv) applicants in sensitive industries with sensitive data.<br>Additionally, our members seek clarification on whether the existing requirements regarding OC appointments will continue to apply if an issuer opts to file its A1 application confidentially – for instance, all OCs must be appointed within two weeks of the A1 filing and OC appointment announcements will no longer be necessary. Clear guidance from the regulators in this respect will assist market participants to comply with the requisite requirements. |
| **20** | If your answer to Question 19 is "yes", do you agree with:<br>(a) the proposal that, in addition to the existing Return Application Details, the identities of other professional parties responsible for the Application Materials also be displayed on the designated webpage of the Exchange (as set out in paragraphs 264 to 265 of the Consultation Paper)?<br>(b) the list of professional parties proposed to be considered as responsible for the Application Materials for the above purpose (as set out in Box 1 under paragraph 265 of the Consultation Paper)?<br>Please give reasons for your views and any alternative suggestions. |
| | Yes. Our members support this proposal. |
| **21** | Do you agree with the proposal to amend the starting point of the 8-week moratorium to either: (a) the date on which all applicable review procedures in respect of the Listing Division's decision to return the listing application have been completed; or (b) the date on which the time period for invoking any such review procedures has lapsed (as set out in paragraph 266 of the Consultation Paper)?<br>Please give reasons for your views and any alternative suggestions. |

| | |
|---|---|
| | Yes. Our members support this proposal. |
| **22** | If your answer to Question 19 is "yes", do you agree with the consequential changes to issuers' disclosure obligations in relation to Issuer-related Listing Applications (as set out in paragraph 267 of the Consultation Paper)?<br>Please give reasons for your views and any alternative suggestions. |
| | Yes. Our members support this proposal. |