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香港中央結算有限公司
(香港交易及結算所有限公司全資附屬公司)
HONG KONG SECURITIES CLEARING COMPANY LIMITED
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

通告 CIRCULAR

Subject: Change of Depository Service Arrangements under Uncertificated Securities Market ("USM") (For Investor Participants Only)

Enquiry: IP Hotline at 2979 7888

Hong Kong Securities Clearing Company Limited ("HKSCC") would like to remind Investor Participants ("IPs") of the changes to Depository service arrangements upon the USM implementation on 16 November 2026.

USM represents an important development in Hong Kong's securities market infrastructure, facilitates electronic ownership and transfer of securities without paper title instruments, while the existing CCASS central nominee structure will continue to operate.

To facilitate a smooth transition to the post-USM Depository arrangements, the key concepts and related operational changes are set out below.

Under USM, prescribed securities will progressively transition from certificated to uncertificated form. The key highlights of each form are outlined below:

- Participating securities are prescribed securities that have become USM-enabled, allowing legal title to be evidenced and transferred electronically without paper title instruments. Existing physical certificates will remain valid but no new certificates or title instruments will be issued once the securities become participating securities.

- Non-participating securities are securities that have not become USM-enabled and therefore continue to operate under the applicable existing arrangements including certificate-based arrangements where applicable.

Not all prescribed securities will become participating securities upon USM implementation on 16 November 2026. Existing listed prescribed securities will transition progressively over a five-year period, while prescribed securities listed after USM implementation will be in uncertificated form from the outset. Accordingly, participating and non-participating securities will co-exist throughout the transition period.

Depository Service Arrangements

In view of the above, with effect from 16 November 2026, IPs should note the following:

- Deposit of any securities: required to use the new Stock Deposit/Dematerialization Form (Attachment 1) when submitting any deposit or dematerialization requests to Depository.

- Deposit of participating securities: New Standard Transfer Form ("STF") (Attachment 2) should be used for dematerialize participating securities.

- Deposit of non-participating securities: The existing STF can continue to be used for the deposit of non-participating securities

- Document accuracy: Information on the STF and supporting documents should be complete, accurate and consistent with the corresponding physical securities certificates.

- Transfer of participating securities: IPs who wish to transfer participating securities should approach their broker or custodian bank for the necessary USI Transfer arrangement.

- Withdrawal of non-participating securities: The existing withdrawal arrangements for non-participating securities will remain unchanged.

IPs should therefore confirm whether a security is participating or non-participating before initiating any Depository activity as the applicable service arrangements will differ during the transition period.

Following USM implementation, information on prescribed securities and their respective participation dates will be available on the HKEX USM webpage.

IPs are also reminded of the following guiding principles for handling physical certificates under USM.

Key Guiding Principles

1. Existing Physical Certificates Remain Valid
   USM will be implemented on 16 November 2026. Existing physical certificates will remain valid after USM implementation. IPs can retain physical certificates and enjoy the same shareholder rights after USM. IPs are not required to deposit, withdraw or dematerialise physical certificate solely because of USM.

2. Dematerialisation is NOT Mandatory
   Dematerialisation of existing physical certificates is optional and does not have a time limit. IPs may continue to choose the arrangement for holding their stocks that best suits their own needs, there is no need to rush to deposit existing physical certificates before and after the USM implementation.

3. Make Deposit and Withdrawal Decisions Based on Their Own Needs
   IPs should make decisions on deposits, withdrawals or dematerialisation based on their own needs and circumstances, and should not take any such action unless there is a genuine need to do so.

IPs are encouraged to familiarize themselves with the above arrangements and guidance and make the necessary operational preparations ahead of USM implementation.

For further information, including the USM Information Paper, USM FAQ and other reference materials, is available on the HKEX USM webpage.

For any enquiries, please contact the IP Hotline at 2979 7888.

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This circular has been issued in the English language with a separate Chinese language translation. If there is any conflict in the circulars between the meaning of Chinese words or terms in the Chinese language version and English words in the English language version, the meaning of the English words shall prevail.
本通告已以英文及另以中文譯本刊發。如本通告中文本的字義或詞義與英文本有所出入，概以英文本為準。