



The Rules Governing the Listing of Tokens on Hong Kong Digital Asset EX Limited

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Table of Contents

CHAPTER 1.	DEFINITIONS AND INTERPRETATION	3
CHAPTER 2.	THE EXCHANGE AND THESE LISTING RULES	6
CHAPTER 3.	LISTING DIVISION AND LISTING COMMITTEE	7
CHAPTER 4.	LISTING	9
CHAPTER 5.	APPLICATION PROCEDURE AND REQUIREMENTS.....	11
CHAPTER 6.	CONTINUING OBLIGATIONS	13
CHAPTER 7.	TRADING HALT, SUSPENSION AND DELISTING	14
CHAPTER 8.	SANCTION	19
CHAPTER 9.	MISCELLANEOUS	20
SCHEDULE 1.	APPLICATION DOCUMENTS.....	21
SCHEDULE 2.	INFORMATION MEMORANDUM FOR SECURITY TOKEN	23
SCHEDULE 3.	DISCLOSURE REQUIREMENTS	28
SCHEDULE 4.	FEE SCHEDULE.....	31

CHAPTER 1. DEFINITIONS AND INTERPRETATION**LR 1.1. Definitions**

LR 1.1.1. The following terms shall have the following meanings when used in these Listing Rules unless the context otherwise requires:

“Admitted Token”	means the Token admitted for listing and trading on the Platform.
“Applicant”	means a person seeking admission for the listing and trading of Tokens on the Platform.
“Application Documents”	has the meaning ascribed thereto in LR 5.3.1.
“Business Day”	means a day on which commercial banks are open for general banking business in Hong Kong (not being a Saturday, Sunday or public holiday in Hong Kong).
“Encumbrance”	means any lien, pledge, claim, option, security interest, third-party right or any other encumbrance.
“Exchange”	means Hong Kong Digital Asset Ex Limited.
“HKFRS”	means the financial reporting standards and interpretations issued by the Hong Kong Institute of Certified Public Accountants.
“HKD” or “HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong.
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China.
“IFRS”	means the financial reporting standards and interpretations approved by the International Accounting Standards Board, and includes all International Accounting Standards and interpretations issued under the former International Accounting Standards Committee from time to time.
“Investment Fund”	means a collective investment scheme and includes an investment company, a mutual fund and a business trust.
“Issuer”	means a person who has issued the Token.
“Issuer Group”	means the Issuer and its subsidiaries.
“Issuer Sponsored Token”	Means a Token the application for admission of which was submitted by the Issuer.
“Latest Practicable Date”	means a date no more than two days (at 12:00 am Hong Kong time) before the date of the listing application or the final listing document (as applicable).

“Listing Rules”	means the provisions in this rulebook as may from time to time be amended, modified or supplemented.
“Non-Issuer Sponsored Token”	means a Token the application for admission of which was submitted by an Applicant other than the Issuer.
“Non-Security Token”	means a Token which is not a Security Token.
“Participant”	means a person who has opened a trading account on the Platform and whose trading account is valid and subsisting (whether or not suspended).
“Platform”	means the online trading platform operated by the Exchange which facilitates the trading of Admitted Tokens.
“Security Token”	means a Token generated to represent an interest in asset, which is categorized as “securities” as defined in Schedule 1 to SFO.
“SFC”	means the Securities and Futures Commission of Hong Kong.
“SFO”	means the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) as amended, modified or supplemented from time to time.
“Token”	means a virtual asset, and includes Security Token and Non-Security Token.

LR 1.2.

Interpretation

LR 1.2.1.

Unless the context requires otherwise:

- (a) headings in these Listing Rules are for convenience only, and do not affect the interpretation of these Listing Rules;
- (b) words importing the singular include the plural and vice versa, and words importing the masculine, feminine or neuter gender include any gender;
- (c) a reference to these Listing Rules includes any document that is ancillary to these Listing Rules, or any agreement or other legally enforceable arrangement created by or under these Listing Rules;
- (d) a reference to these Listing Rules includes any consolidations, amendments, re-enactments or replacements thereof;
- (e) the meaning of general words is not limited by specific examples introduced by expressions such as, “including”, “for example”, “such as”, or such similar expressions, and the word “includes” or “including” as used in these Listing Rules shall be construed to mean “includes without limitation” or, as the case may be, “including without limitation”;
- (f) a reference to a “person” includes an individual, a body corporate, a partnership, a joint venture, an unincorporated association and an authority;

- (g) a reference to a particular person includes the person's executors, administrators, successors, substitutes and assigns;
- (h) a reference to "law" includes common law, principles of equity and legislation (including ordinances, regulations, rules and by-laws) and includes any consolidations, amendments, re-enactments or replacements thereof;
- (i) a reference to "acceptable" means being acceptable to the Exchange and the relevant governmental or regulatory authorities (if applicable);
- (j) a reference to "in writing" means in legible form and capable of reproduction on paper, and includes electronic communication;
- (k) a reference to "material" includes the ability to affect the outcome of a decision or an application, and "materially" shall be construed accordingly;
- (l) a reference to anything (including an amount) is a reference to the whole and each part of it;
- (m) a period of time starting from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (n) if a person must do something on or by a given Business Day and it is done after 5:00 pm (Hong Kong time), it is taken to be done on the next Business Day;
- (o) if the day on which a person must do something is not a Business Day, the person must do it on the next Business Day; and
- (p) notwithstanding anything to the contrary, where any right of the Exchange is specified to be at its "discretion", it shall be construed to refer to the "sole, unfettered and absolute discretion" of the Exchange; any determination to be made by the Exchange or any exercise by the Exchange of any rights or entitlement may be made at the sole, unfettered and absolute discretion of the Exchange and, in every case, shall be conclusive and binding on Applicants and Issuers.

CHAPTER 2. THE EXCHANGE AND THESE LISTING RULES

LR 2.1.1. These Listing Rules set out the requirements for listing of Tokens on the Platform for trading.

LR 2.1.2. The principal objective of the Exchange is to:

- (a) ensure that Admitted Tokens traded on the Platform are properly assessed and determined as eligible;
- (b) uphold the reputation and integrity of the Exchange;
- (c) promote confidence to market participants of the Platform; and
- (d) provide a fair, orderly and transparent market for the listing and trading of Admitted Tokens on the Platform.

LR 2.1.3. The Exchange is licensed by SFC for Type 1 regulated activity (dealing in securities) and Type 7 regulated activity (providing automated trading services) and is obliged to comply with SFO together with its applicable subsidiary legislations and SFC's applicable codes, guidelines and circulars that may be issued from time to time.

LR 2.1.4. These Listing Rules are subject to applicable laws, including any applicable rules, codes, guidelines or circulars issued by SFC or specific conditions imposed on the Exchange by SFC.

CHAPTER 3. LISTING DIVISION AND LISTING COMMITTEE**LR 3.1. Listing Division**

LR 3.1.1. Each listing application shall be lodged to the Listing Division. A case officer of the Listing Division will be assigned to vet the respective application and he shall act as the main contact point on behalf of the Exchange in respect of the application.

LR 3.1.2. Upon the satisfaction of the due diligence report prepared by the vetting team of the Listing Division, the Head of Listing will, if thought fit, recommend the listing application to the Listing Committee for approval.

LR 3.1.3. The main responsibilities of the Listing Division include, among other things:

- (a) interpret, implement and update the Listing Rules;
- (b) review the eligibility of each Applicant, Issuer and Token under the Listing Rules;
- (c) vet the listing application with respect to compliance with the Listing Rules and conduct due diligence against the Applicants, Issuers and Tokens;
- (d) monitor Admitted Tokens to ensure compliance with the Listing Rules;
- (e) set policy direction for listings on the Platform; and
- (f) recommend to the board of directors of the Exchange delisting of Admitted Tokens, if appropriate.

LR 3.2. Listing Committee

LR 3.2.1. The Listing Committee is responsible for reviewing the potential listing of Tokens on the Platform, by considering various factors including without limitation (i) risk appetite, (ii) regulatory requirements; and (iii) investor protection.

LR 3.2.2. The Listing Committee has delegated to the Head of Listing the power to approve an application for listing of Non-Issuer Sponsored Tokens.

LR 3.2.3. The Listing Committee shall consist of at least 3 members, who shall be appointed and removed by the board of directors of the Exchange and include:

- (a) at least two independent individuals who represent the interests of investors; and
- (b) the Chief Executive Officer of the Exchange.

LR 3.2.4. Notice of Listing Committee meetings shall be given at least 3 days prior to the meeting date, along with supporting papers. Such notice can be waived by unanimous votes from all the Listing Committee members.

LR 3.2.5. Listing Committee meetings can be conducted physically or virtually anywhere in the world. The quorum of the meeting shall be 3 members.

LR 3.2.6. In case of conflict of interest, the Listing Committee member concerned shall abstain from voting. However, such member shall be counted towards the quorum.

- LR 3.2.7. The approval of listing applications requires the simple majority votes in a Listing Committee meeting. The Chief Executive Officer of the Exchange has the casting vote in the meeting. In case the Chief Executive Officer of the Exchange has a conflict of interest and requires to be abstained from voting, the unanimous votes in a Listing Committee meeting are required.

CHAPTER 4. LISTING**LR 4.1. General requirements**

LR 4.1.1. Applicants seeking to have the Token to be admitted for listing and trading on the Platform shall comply with the following general requirements:

- (a) The Applicant shall be duly incorporated, established and/or registered in an acceptable jurisdiction;
- (b) The Applicant shall have its place of principal activity in an acceptable jurisdiction;
- (c) The Applicant shall be able to demonstrate that it is financially sound and has the ability to carry on its business as a going concern; and
- (d) The directors and senior management personnel of the Applicant shall pass all relevant checks with respect to anti-money laundering and counter-terrorist financing, and be of sufficient and adequate competence, integrity and financial standing.

LR 4.1.2. Each listing application must be lodged in accordance with the requirements and procedures set out in Chapter 5.

LR 4.1.3. Applicants shall also comply with specific requirements set out in these Listing Rules.

LR 4.2. Token requirements

LR 4.2.1. The Tokens shall:

- (a) be transferable to another Participant via blockchain technology, subject to regulatory requirements;
- (b) be free of any Encumbrance;
- (c) be validly authorised by the Issuer under the Issuer's constitutional or equivalent documents;
- (d) be validly issued by the Issuer under applicable law;
- (e) have a market capitalisation of HK\$8,000,000 at the time of listing; and
- (f) meet all other requirements as prescribed by the Exchange from time to time.

LR 4.3. Specific requirements for Security Token

LR 4.3.1. An Applicant for the listing of Security Token shall comply with the following requirements in addition to the general requirements set out in LR 4.1 and LR 4.2:

- (a) The Security Token shall be asset-backed;
- (b) The Security Token shall be approved or qualified by, or registered with, SFC or another regulator in an acceptable jurisdiction (as agreed by SFC from time to time); and
- (c) The Security Token shall have a post-issuance track record of 12 months.

LR 4.4. **Listing fees and charges**

LR 4.4.1. Applicants and Issuers must pay such fees and charges as the Exchange may prescribe. The Exchange shall have the sole discretion to waive or vary any fee or charge.

CHAPTER 5. APPLICATION PROCEDURE AND REQUIREMENTS

LR 5.1. Pre-application consultation

LR 5.1.1. Prior to making an application for admission and listing of its Token, an Applicant shall conduct a pre-application consultation with the Exchange as to whether the Applicant and the proposed Token meet the requirements set out by the Exchange and applicable law.

LR 5.1.2. Any guidance provided by the Exchange during the pre-application consultation does not bind the Exchange in assessing an application for admission and listing, and the Exchange shall have no liability for any such guidance provided.

LR 5.2. Submitting an application for admission as Issuer

LR 5.2.1. An application for admission and the listing of Token shall be made to the Exchange by submitting the application form and required documents as set out in LR 5.3, any other documents the Exchange may require, and the application fee as specified in Section 4.1 of Schedule 4 to these Listing Rules.

LR 5.2.2. The Exchange will only assess the application when all required documents have been received and the application fee has been paid.

LR 5.2.3. In assessing the application for admission and listing, the Exchange may require from the Applicant additional information, take into account any information that it considers necessary or relevant, request that any information provided by the Applicant be verified in such manner as the Exchange may specify, and impose any additional conditions on the Applicant that it considers appropriate.

LR 5.2.4. By making an application for admission and listing, the Applicant authorises the Exchange to request such further information, documentation or other evidence from the Applicant or any other person, as the Exchange may consider at its sole discretion necessary or relevant to such application.

LR 5.3. Documentary requirements

LR 5.3.1. The documents which shall be submitted to the Exchange at the time of submitting the application ("**Application Documents**") are set out in Schedule 1.

LR 5.3.2. The Application Documents shall be in English or Chinese.

LR 5.4. Decision

LR 5.4.1. The Exchange may grant or refuse the application for admission and listing at its sole discretion. The granting of admission and listing may be subject to the fulfilment of certain conditions which the Exchange may specify.

LR 5.4.2. In making its decision on the application for admission and listing, the Exchange will review all the information and documents supplied by the Applicant and conduct comprehensive due diligence against the Applicant and the Token to be listed on the Platform. The Exchange may also require an Applicant to attend interviews and supply additional documents to support its application.

- LR 5.4.3. The Exchange will only approve the application for admission and listing if the Exchange is satisfied that:
- (a) The Applicant and the Token to be listed on the Platform meet all relevant requirements; and
 - (b) The admission and the listing of the Token would not be detrimental to the interests of the Participants, the integrity of the Platform, or the reputation of the Exchange.
- LR 5.4.4. The Exchange will notify the Applicant of its decision on the application for admission and listing.
- LR 5.5. **Electronic submission**
- LR 5.5.1. All requests for guidance and applications for admission and listing shall be submitted electronically to the Exchange via such channels as the Exchange may specify.
- LR 5.6. **Confidentiality**
- LR 5.6.1. Once the Applicant has approached the Exchange for pre-application consultation, the Applicant shall keep the application and all information in connection therewith (including without limitation the fact that an application has been made and all application documents / information) strictly confidential and not disclose it to any other person in whole or in part in any manner whatsoever. The Applicant shall also limit access to or disclosure of the application and all information in connection therewith, on a need-to-know basis, to its employees and authorised representative and shall cause its employees and authorised representative to comply with the terms of this paragraph. The Applicant shall observe the restrictions in this paragraph until such time as the Applicant is notified by the Exchange of its decision on the application for admission and listing.

CHAPTER 6. CONTINUING OBLIGATIONS

- LR 6.1.1. This Chapter shall only be applicable to Issuer Sponsored Tokens.
- LR 6.1.2. An Issuer shall, at all times, comply with applicable laws, these Listing Rules, other Exchange's rules applicable to it, and all undertakings made in its terms and conditions.
- LR 6.1.3. An Issuer shall promptly inform the Exchange if it does not, or may not, comply with any applicable law, these Listing Rules, other Exchange's rules applicable to it or any undertaking made in its terms and conditions.
- LR 6.1.4. An Issuer must take all reasonable steps to ensure equal treatment for all Participants in respect of its Admitted Token.
- LR 6.1.5. An Issuer shall notify the Exchange of any material change, proposed or otherwise, in (a) the general character or nature of the operation of its business or corporate structure; (b) the general character or nature of its Admitted Token; and (c) any plans or activities relating to fundraising or Admitted Token sales.
- LR 6.1.6. The Issuer shall notify the Exchange of any matter of which the Issuer is aware if it may have a material adverse effect on the interests of Participants.
- LR 6.1.7. An Issuer shall ensure that disclosure of material information, as set out in Schedule 3 to these Listing Rules, is made on the Platform in a timely manner. The Issuer must call a trading halt on their Admitted Token prior to making disclosure of such information, and lift the trading halt no earlier than 30 minutes after such disclosure. The Issuer shall also notify the Exchange of such matters to be disclosed pursuant to Schedule 3 as soon as practicable, and in any event prior to disclosure on the Platform.
- LR 6.1.8. An Issuer shall act promptly to dispel any rumours that produce unusual market activity or price variations in its Admitted Token. This includes confirming, denying and/or clarifying the circumstances surrounding such rumour by way of an announcement on the Platform.
- LR 6.1.9. An Issuer shall ensure that any information it publishes or provides to the Exchange (a) is complete, true and accurate; (b) is not false, misleading or deceptive; (c) does not omit anything likely to affect the meaning or significance of the information; and (d) does not give rise to, facilitate or encourage a false market in the Issuer's Admitted Token.
- LR 6.1.10. An Issuer shall promptly inform the Exchange and, where applicable, publish a notice of correction on the Platform if it becomes aware of any material mistake, omission or inaccuracy relating to information provided to the Exchange or published on the Platform.
- LR 6.1.11. An Issuer shall fully cooperate with the Exchange and attend to all of the Exchange's requests, orders and demands in a timely manner.
- LR 6.1.12. An Issuer shall pay the annual fee as set out in Section 4.2 of Schedule 4 to these Listing Rules in advance in full to maintain the listing status of the Admitted Token.

CHAPTER 7. TRADING HALT, SUSPENSION AND DELISTING**LR 7.1. Trading halt**

LR 7.1.1. The Exchange may impose a trading halt on any or all Admitted Tokens in the following circumstances:

- (a) at the request of an Issuer;
- (b) where the Exchange becomes aware of any developments that materially affect an Issuer's ability to carry on business, which include, without limitation, legal or regulatory changes, or group restructuring of the Issuer, or changes in key management personnel of the Issuer;
- (c) where the Exchange suspects any insider trading, market manipulation, fraud, or other prohibited conduct in relation to a particular Admitted Token or its Issuer; and/or
- (d) when the Exchange requests from the Issuer information relating to:
 - (i) material news;
 - (ii) the Issuer's ability to meet continuing Issuer obligations as set out in these Listing Rules and other Exchange's rules applicable to it; or
 - (iii) any other matter which is necessary to protect Participants' and the public's interest.

LR 7.1.2. A trading halt may be imposed for such duration that the Exchange deems appropriate, and for a period not shorter than 30 minutes and not longer than 3 days. Notwithstanding the foregoing, the Exchange may elect to extend a trading halt where it deems appropriate. An Issuer may voluntarily request the Exchange to, and the Exchange will consider such request to but shall not be obliged to, exercise its power to extend a trading halt on the Issuer's Admitted Token beyond 3 days.

LR 7.1.3. A trading halt may be lifted by the Exchange at its sole discretion:

- (a) at any time;
- (b) at the request of the Issuer; or
- (c) when the information requested by the Exchange in LR 7.1.1(d) has been provided.

LR 7.1.4. In the event of a trading halt:

- (a) the Admitted Token will temporarily cease to be traded on the Platform; and
- (b) orders cannot be entered, modified or cancelled in respect of the Admitted Token; and
- (c) unmatched orders in respect of the Admitted Token on the Platform will be cancelled automatically.

LR 7.1.5. A trading halt may be changed to a suspension by the Exchange at its discretion at any time.

LR 7.1.6. A request by an Issuer for the trading halt of the trading of such Issuer's Admitted Token under LR 7.2.6 must:

- (a) be made in writing and addressed to the Exchange;
- (b) contain a clear explanation of the background and the reasons for seeking the trading halt; and
- (c) include:
 - (i) the name of the relevant Admitted Token;
 - (ii) all information and documents relevant to the request;
 - (iii) the date and time the Issuer requests the trading halt to take effect, and to cease (if known); and
 - (iv) details of any special circumstances or requirements applicable to the request for trading halt, such as the extent of the proposed trading halt.

LR 7.1.7. The Exchange will announce the imposition and/or lifting of any trading halt on the Platform.

LR 7.2. **Suspension**

LR 7.2.1. The Exchange may suspend, with effect from any such time as it may determine at its discretion, the trading on the Platform generally, or the trading in any or all Admitted Token(s) in any of the following circumstances:

- (a) in the Exchange's opinion, the market is not orderly, informed or fair, or circumstances are about to occur that may result in there not being an orderly, informed or fair market;
- (b) the Exchange releases an announcement in relation to an Issuer which the Exchange deems to be market-sensitive;
- (c) an Issuer requests, and the Exchange agrees to, the suspension;
- (d) the relevant Admitted Token fails to maintain its market capitalisation at HK\$4,000,000 for 14 consecutive days;
- (e) access to the Platform is generally restricted;
- (f) functions of the Platform are, or are threatened to be, severely and adversely affected by a physical emergency such as fire, terrorist activities, power failures, communication or transportation breakdowns, or computer malfunctions;
- (g) the Exchange deems it necessary to safeguard the integrity and smooth operation of the Platform;
- (h) the Exchange deems it necessary to protect the interests of the Participants and/or prospective Participants;
- (i) the Exchange is required or deems it necessary to comply with applicable laws; or
- (j) the Exchange deems it to be in the public interest.

- LR 7.2.2. A trading suspension may be imposed for such duration as the Exchange deems appropriate at its discretion.
- LR 7.2.3. If the Exchange suspends the trading of an Admitted Token, it may impose such conditions for lifting the suspension as it considers appropriate at its discretion. Notwithstanding the foregoing, the Exchange may elect to extend a trading suspension where it deems it appropriate.
- LR 7.2.4. During a trading suspension imposed on an Admitted Token:
- (a) the Admitted Token will cease to be traded on the Platform;
 - (b) orders cannot be entered, modified or cancelled in respect of the Admitted Token; and
 - (c) unmatched orders in respect of the Admitted Token on the Platform will be cancelled automatically.
- LR 7.2.5. An Issuer whose Admitted Token is suspended from trading must continue to comply with these Listing Rules and other Exchange's rules applicable to it insofar as such rules remain relevant.
- LR 7.2.6. An Issuer may voluntarily request the Exchange to, and the Exchange will consider such request to but shall not be obliged to, exercise its power to suspend trading under LR 7.2.1 of such Issuer's Admitted Token.
- LR 7.2.7. A request by an Issuer for the suspension of the trading of such Issuer's Admitted Token under LR 7.2.6 must:
- (a) be made in writing and addressed to the Exchange;
 - (b) contain a clear explanation of the background and the reasons for seeking the trading suspension; and
 - (c) include:
 - (i) the name of the relevant Admitted Token;
 - (ii) all information and documents relevant to the request;
 - (iii) the date and time the Issuer requests the suspension to take effect, and to cease (if known); and
 - (iv) details of any special circumstances or requirements applicable to the request for suspension, such as the extent of the proposed trading suspension.
- LR 7.2.8. A trading suspension may be lifted by the Exchange at any time at its sole discretion if it is satisfied that:
- (a) the circumstances leading to, resulting in, or contributing to, the trading suspension have abated or are no longer applicable and that trading is otherwise appropriate; and
 - (b) there are no other circumstances warranting the continued suspension of trading, such that the resumption of normal trading is appropriate.

- LR 7.2.9. An Issuer may voluntarily request the Exchange to, and the Exchange will consider such request but shall not be obliged to, exercise its power to restore trading under LR 7.2.8. For the avoidance of doubt, the trading of the Admitted Token may be restored at the Exchange's sole discretion even though the Issuer does not request it.
- LR 7.2.10. A request by an Issuer for the restoration of the trading of such Issuer's Admitted Token under LR 7.2.9 must be in writing and addressed to the Exchange and include:
- (a) the name of the relevant Admitted Token;
 - (b) a clear explanation of the background and reasons for the request for restoration; and
 - (c) the date and time from which the Issuer requests the restoration to take effect.
- LR 7.2.11. The Exchange will announce the imposition and/or lifting of any trading suspension on the Platform.
- LR 7.3. **Token Delisting**
- LR 7.3.1. **Involuntary Token delisting**
- The Exchange may require the Issuer to delist its Admitted Token from the Platform pursuant to LR 8.1 or if it considers appropriate. In such event, the Exchange may require the Issuer to conduct a Token buy-back offer on such terms and conditions which adequately protect the relevant Participants' interests as the Exchange may specify.
- LR 7.3.2. **Voluntary Token delisting**
- (a) An Issuer seeking to delist its Admitted Token shall request permission from the Exchange to announce the intended Token delisting on the Platform by first sending a formal notice to the Exchange of its intention and providing adequate justifications for the intended delisting.
 - (b) On receipt of a request under the preceding paragraph, the Exchange may require from the Issuer additional information, take into account any information that it considers necessary or relevant, and impose any additional conditions on the Issuer that it considers appropriate.
 - (c) When the Exchange is satisfied with the information received from the Issuer, the Exchange may grant the Issuer permission to announce the intended Token delisting on the Platform. The grant of permission may be subject to the fulfilment of any conditions which the Exchange may specify.
 - (d) After permission is granted by the Exchange, the Issuer shall call for a trading halt and announce the intended Token delisting to Participants via the Platform.
 - (e) In the event an Issuer wishes to voluntarily delist any class or series of Admitted Tokens:
 - (i) the proposal to delist the Admitted Tokens must be approved by at least 90% of the total number of affected Admitted Tokens held by voting Participants; and

- (ii) the Exchange may specify additional conditions or vary the conditions of this LR 7.3.2(e) at its discretion in connection with the proposed delisting. Such additional or varied conditions shall be announced by the Issuer on the Platform.

LR 7.3.3. **Delisting notification**

The Exchange will issue a delisting notification at least 14 days before the delisting of an Admitted Token takes place.

LR 7.3.4. **Withdrawal of Admitted Token and Token buy-back offer**

- (a) The Exchange and the Issuer shall use their best endeavours to procure the relevant Participants to transfer the Admitted Token to be delisted to their personal wallets or other trading platform accounts before the Token delisting date. The Exchange shall not be liable for any loss or damage sustained by Participants as a result of their failure to withdraw the Admitted Token to be delisted due to events outside of the Exchange's reasonable control.
- (b) In the event that the Issuer has conducted a Token buy-back offer in conjunction with such delisting, Participants who have had their Admitted Tokens repurchased will receive the commensurate settlement amount in virtual asset or fiat currency acceptable by the Exchange (in accordance with the accepted Token buy-back offer) in their trading account with the Exchange.

CHAPTER 8. SANCTION

LR 8.1. If the Exchange determines that an Issuer has contravened these Listing Rules, any of Exchange's other rules or any law and considers it appropriate to impose a sanction, the Exchange may:

- (a) require a breach to be rectified or other remedial actions to be taken within a stipulated period;
- (b) require the Issuer to appoint an independent third party to conduct a review on the policies, procedures and operations of the Issuer;
- (c) suspend the listing and/or trading of the relevant Admitted Token;
- (d) remove the Issuer's Admitted Token from the Platform; and/or
- (e) impose any other sanction (including additional restrictions) that it deems appropriate.

CHAPTER 9. MISCELLANEOUS

- LR 9.1. Governing Law and Dispute Resolution: These Listing Rules shall be governed by and construed in accordance with the laws of Hong Kong. The courts of Hong Kong shall have exclusive jurisdiction in relation to all matters arising from or in connection with these Listing Rules.
- LR 9.2. Amendments: The Exchange reserves the right to alter or amend these Listing Rules from time to time at its discretion by publication of the updated version on the Platform. Alterations and amendments will take effect from the date of publication, unless a later effective date is specified by the Exchange.

Schedule 1. Application Documents**Section 1.1. Application Documents for all applications:**

- (a) Application form prescribed by the Exchange and the ancillary documents requested therein;
- (b) A legal opinion issued by a solicitor or barrister as defined under the Legal Practitioners Ordinance (Cap. 159 of the Laws of Hong Kong), opining on:
 - (i) whether the proposed Token to be listed (i) would constitute “securities” as defined in Schedule 1 to SFO and (ii) can be legally offered and traded under SFO; and
 - (ii) the implications of the listing and trading of the proposed Token on the Platform;
- (c) All other information and documents which would facilitate the Exchange’s evaluation of the Applicant and the relevant Token; and
- (d) Such other information and documents as the Exchange may request from time to time.

Section 1.2. Additional Application Documents for applications with respect to Non-Security Tokens:

- (a) Whitepaper of the Non-Security Token; and
- (b) Applicable accounts and reports which demonstrate the track record of the Non-Security Token.

Section 1.3. Additional Application Documents for applications with respect to Security Tokens:

- (a) Final draft of the Information Memorandum containing the required disclosures as set out in Schedule 2 to these Listing Rules, the publication and distribution of which shall require the prior approval of the Exchange;
- (b) Undertaking by the directors of the Applicant confirming that there is no incorrect or misleading information or material omission in any Application Document;
- (c) In respect of a Security Token where the underlying asset are shares of a corporation, the following additional documents:
 - (i) Constitutional documents of the issuer of the underlying equity or debt instruments; and
 - (ii) Latest audited financial statements of the issuer of the underlying equity or debt instruments prepared in accordance with HKFRS or IFRS, and such other financial documents and reports demonstrating its track record in the past 12 months.
- (d) In respect of a Security Token where the underlying asset is the interest in an Investment Fund, the following additional documents:
 - (i) Investment thesis and mandate and the financial track record of the investment manager; and

- (ii) The annual accounts of the Investment Fund for the last financial year and such other financial documents and reports demonstrating its track record in the past 12 months.

Schedule 2. Information Memorandum for Security Token

Section 2.1. The Information Memorandum for the offering of Security Tokens shall include all information that Participants would reasonably require for the purpose of making an informed assessment of the Issuer and the relevant Security Token.

Section 2.2. Depending on the nature and form of the Issuer and the underlying asset of the relevant Security Token, certain information or documents listed in this Schedule may not be available or relevant, in which case the Applicant shall state expressly in the Information Memorandum the fact that such information or document is not available or relevant and the reason therefor.

Section 2.3. Content

Without limiting the disclosure requirements as set out in Section 2.1 of this Schedule, the Information Memorandum for offering of Security Token (other than Security Token the underlying asset of which is the interest in an Investment Fund) shall include, among other things, the below information, where applicable.

(a) Disclaimers

The following statements shall be stated on the cover page:

- (i) “Hong Kong Digital Asset Ex Limited takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.”
- (ii) “This document is important. Before making any investment in the security tokens being offered, you should consider the information provided in this document carefully, and consider whether you understand what is described in this document. You should also consider whether an investment in the security tokens being offered is suitable for you, taking into account your investment objectives and risk appetite. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser. You are responsible for your own investment choices.”

(b) Responsibility statement

The following statement should be included:

“The Issuer and its Board of Directors collectively and individually accept full responsibility for the accuracy of the information given in this Information Memorandum and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Information Memorandum contains all the relevant information and in sufficient detail to enable investors to make an informed assessment of the Issuer and the Tokens, and the Issuer and its Board of Directors are not aware of any information the omission of which would make any statement in this Information Memorandum misleading, and where the Information Memorandum contains a profit forecast, the Issuer and its Board of Directors are satisfied that the profit forecast has been stated after due and careful enquiry and consideration. Where information in the Information Memorandum has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Issuer and its Board of Directors has been to ensure that such information has been accurately and correctly extracted from

those sources and/or reproduced in the Information Memorandum in its proper form and context.”

(c) Issuer Information

The following information of the Issuer shall be included:

- (i) date of incorporation or constitution, and where the constitutional documents of the Issuer provides for a limit as to the duration for which the Issuer is to exist, such duration; and
- (ii) legal form of the Issuer, the legislation under which it operates, the address and telephone number of its registered office and principal place of business (if different from registered office), and the email address and website address of the Issuer or a representative of the Issuer.

(d) Directors, senior management personnel and auditors

- (i) The following information on each director and senior management personnel of the Issuer Group should be included:
 - (a) name, address and occupation;
 - (b) date of joining the Issuer Group;
 - (c) date of appointment as a director (if applicable); and
 - (d) the details of educational and professional qualifications, if any, and areas of expertise or responsibility in the Issuer Group.
- (ii) The following information on the Issuer’s auditors should be included:
 - (a) name, address and professional qualifications (including membership in any professional body); and
 - (b) the name of the partner-in-charge.

(e) Business and Token Information

The following technical information of the Security Token shall be included:

- (i) The name of the Security Token;
- (ii) The technical aspects of the Security Token, including the security infrastructure, the size, consensus algorithm of the blockchain protocol underlying the Security Token; and
- (iii) The development of the Security Token, including the outcomes of any projects associated with it and any previous major incidents associated with its history and development.

The following smart contract information of the Security Token shall be included:

- (i) A description of the type and class of the securities being offered;

- (ii) The yield and how it is calculated;
 - (iii) A description of any rights attached to the Security Token, including any limitation of those rights, and the procedure for the exercise of those rights;
 - (iv) Any restrictions on transferability; and
 - (v) Redemption or buy-back arrangement of the Security Token by the Issuer.
- (f) Historical Trading Information

The following historical trading information of the Security Token should be included:

- (i) Highs, lows, month ends and monthly average of the market capitalisation, covering the 12 months preceding the Latest Practical Date;
 - (ii) Highs, lows, month ends and monthly average of the daily trading volume, covering the 12 months preceding the Latest Practical Date;
 - (iii) Availability of trading pairs (e.g. virtual asset to the Security Token, fiat currency to the Security Token);
 - (iv) All other venues or platforms available for trading; and
 - (v) Jurisdictions where the Security Token has been offered.
- (g) Offer statistics

The following information of the offering shall be included:

- (i) Hard cap of the offering (in terms of fiat currency);
- (ii) Hard cap per investor (in terms of fiat currency);
- (iii) Total Token supply;
- (iv) Total Token allocated in the offering;
- (v) Public sale Token price;
- (vi) Token sale format; and
- (vii) Subscription, calculation and Token distribution periods of the offering.

(h) Offer procedure

The following information on the offer procedure shall be included:

- (i) the time and date on, and period during, which the offer will be kept open;
- (ii) the circumstances and duration under which the offer may be extended or shortened;
- (iii) the method and time limit for paying up for the Security Tokens;
- (iv) the methods of evidencing title to the Security Tokens;
- (v) the manner for refunding any excess paid by investors (including whether interest will be paid); and
- (vi) the manner in which unsold Security Tokens will be treated.

(i) Use of proceeds

Detailed description of the use of proceeds from the offering should be included.

(j) Risk Factors

Mandatory disclosures

The Information Memorandum shall contain the following statements relating to risk factors:

- (i) “Virtual assets are highly risky and you should exercise caution in relation to the products.”
- (ii) “A virtual asset may or may not be considered as “*property*” under the law, and such legal uncertainty may affect the nature and enforceability of your interest in such virtual asset.”
- (iii) “This Information Memorandum has not been subject to scrutiny by any regulatory body.”
- (iv) “The protection offered by the Investor Compensation Fund in Hong Kong does not apply to transactions involving virtual assets (irrespective of the nature of the tokens).”
- (v) “A virtual asset is not legal tender and is not backed by the government and authorities.”
- (vi) “Transactions in virtual assets may be irreversible, and, accordingly, losses due to fraudulent or accidental transactions may not be recoverable.”
- (vii) “The value of a virtual asset may be derived from the continued willingness of market participants to exchange fiat currency for a virtual asset, which means that the value of a particular virtual asset may be completely and permanently lost should the market for that virtual asset disappear. There is no assurance that a person who accepts a virtual asset as payment today will continue to do so in the future.”

- (viii) “The volatility and unpredictability of the price of a virtual asset relative to fiat currencies may result in significant losses over a short period of time.”
- (ix) “Legislative and regulatory changes may adversely affect the use, transfer, exchange and value of virtual assets.”
- (x) “Some virtual asset transactions may be deemed to be executed only when recorded and confirmed by HKbitEX, which may not necessarily be the time at which you initiate the transaction.”
- (xi) “The nature of virtual assets exposes them to an increased risk of fraud or cyberattack.”
- (xii) “The nature of virtual assets means that any technological difficulties experienced by HKbitEX may prevent clients from accessing their virtual assets.”

General disclosures

The Information Memorandum should also disclose the risk factors that are specific to the Issuer Group, the Security Token being offered and its underlying assets, which had materially affected or could materially affect, directly or indirectly the Issuer’s financial position or the value of the Security Token and/or its underlying assets.

(k) Financial Information

Audited annual financial statements or consolidated financial statements of the Issuer for the latest financial year of the Issuer, as well as such other financial documents and reports demonstrating its track record in the past 12 months, should be appended to the Information Memorandum when submitted to the Exchange. Such financial statements shall be prepared in accordance with HKFRS, IFRS or other financial reporting standards that are acceptable to the Exchange.

Section 2.4. Specific requirements for Investment Funds

Without limiting the disclosure requirements as set out in Section 2.1 of this Schedule, the Information Memorandum for offering of Security Token the underlying asset of which is the interest in an Investment Fund shall include such information that are required to be disclosed to the relevant authority under the applicable law governing such Investment Fund. For instance, the Information Memorandum for offering of Security Token the underlying asset of which is the interest in an SFC-authorized Investment Fund shall contain information that shall be disclosed by such Investment Fund to SFC pursuant to SFO together with its applicable subsidiary legislations and SFC’s applicable codes, guidelines and circulars that may be issued from time to time.

Schedule 3. Disclosure requirements**Section 3.1. General**

The Issuer shall promptly announce via the Platform any information known to the Issuer concerning the Issuer Group or its Admitted Token which:

- (a) would be likely to materially affect the price or market value of its Admitted Token when disclosed to the public;
- (b) may have a material effect on an investor's decision on whether to trade in the Admitted Token; or
- (c) is necessary to avoid the establishment of a false market in the Admitted Token.

Section 3.1 of this Schedule does not apply to information which:

- (i) would be a breach of law to disclose;
- (ii) is confidential, or a trade secret;
- (iii) relates to an incomplete proposal or negotiation; or
- (iv) is generated for the internal management purposes of the Issuer.

Section 3.2. Security Tokens

Without limiting the disclosure requirements set out in Section 3.1 of this Schedule, an Issuer of Security Token shall immediately announce the following matters relating to the Issuer via the Platform, if applicable:

- (a) Any change of name, registered or business address of the Issuer;
- (b) Any change in control of the Issuer;
- (c) Appointment, re-designation, cessation of directors, senior management, auditors or authorised representative, with such announcement to include the details of name, age, job title in the Issuer, professional qualifications, working experience, any financial interest in the Issuer Group and date of appointment or cessation;
- (d) Any application filed with a court to wind up the Issuer or any of its subsidiaries, or to place the Issuer or any of its subsidiaries under judicial management;
- (e) The appointment of a receiver, judicial manager or liquidator of the Issuer or any of its subsidiaries;
- (f) Any breach of any loan covenants or any notice received from bankers or the trustee of any debenture holders to demand repayment of loans granted to the Issuer or any of its subsidiaries which, in the opinion of the Issuer's directors, would result in the Issuer facing a cash flow issue;
- (g) Any material change in the Issuer's business and/or financial position; and
- (h) The independent auditor's report and annual audited financial statements for the full financial year immediately after such report and statements are available and no later than 6 months after the relevant financial period, and in any event no later

than the period within which the Issuer is required to provide such report and financial statements to its shareholders in compliance with the Issuer's obligations under all applicable laws. Such financial statements must be prepared in accordance with HKFRS, IFRS or other financial reporting standards that are acceptable to the Exchange.

Section 3.3. Corporations

Without limiting the other disclosure requirements set out herein, in respect of Security Token the underlying asset of which are shares in a corporation, the Issuer shall also promptly disclose the following matters in relation to the Issuer of the underlying shares via the Platform:

- (a) Any proposed and/or actual changes in substantial shareholders and controlling shareholders;
- (b) Any proposed dividends to be declared and/or actual dividends declared;
- (c) Any amendment in the constitutional documents;
- (d) Any proposed loan or credit facility agreements to be entered into as borrower or any debentures to be issued involving a material amount of funds;
- (e) Any proposed issuance of new shares or securities (including details of the number, type, rank, and issue price of such shares or securities);
- (f) Any proposed employee share option scheme or share incentive plan, or any changes to such scheme or plan;
- (g) Any proposed joint venture, mergers or acquisitions;
- (h) Any proposed material or significant disposal of assets;
- (i) Any regulatory action, or criminal/civil investigations or proceedings filed against the issuer of the underlying shares, or its directors and senior management personnel, in any jurisdiction;
- (j) Any changes in the business model, including the establishment of a new business line or cessation of an existing business line; and
- (k) Any matter that requires the approval from shareholders, whether under applicable laws or otherwise.

Section 3.4. Investment Fund

Without limiting the other disclosure requirements set out herein, in respect of Security Token the underlying asset of which is the interest in an Investment Fund, the Issuer shall also disclose the following matters via the Platform:

- (a) the net tangible assets per Token and how it was calculated at the end of each quarter, but in any event no later than 20 Business Days after such quarter;
- (b) any changes in the control of the managers;
- (c) any proposed change in the general character or nature of the Investment Fund; and

(d) any intention to renew, vary or terminate the Investment Fund.

Section 3.5.

Depending on how the Admitted Token is structured, the Exchange may impose additional disclosure requirements. The Exchange will notify the Issuer of the additional disclosure requirements prior to listing.

Schedule 4. Fee Schedule

Section 4.1. Application Fee

- (a) Except for listing applications lodged by the Exchange, all Applicants shall pay the Exchange the application fee in respect of each listing application as follows:
- (i) In respect of non-debt securities, the higher of (a) US\$15,000; and (b) 1% of the proposed market capitalisation of the Token at the time of listing on the Exchange ("**Market Cap**").

Market Cap	Application Fee
Up to US\$1,500,000	US\$15,000
More than US\$1,500,000	US\$15,000 to 1% of the Market Cap

- (ii) In respect of debt securities, a fixed fee is charged in accordance with the maturity of the instrument:

Maturity	Application Fee
5 years or below	US\$3,000
More than 5 years	US\$6,000

Section 4.2. Annual Fee

- (a) Except for Admitted Tokens lodged by the Exchange, all Applicants shall pay the Exchange the annual fee in respect of each Admitted Token as follows:

Category	Annual Fee
Non-debt securities	US\$5,000
Debt securities	US\$500

- (b) The first annual fee shall be paid upon receipt of listing approval issued by the Exchange and before the listing of the Admitted Token.

Section 4.3. Interpretation

- (a) The Exchange reserves the right to amend the fees set out in this Schedule without further notice.
- (b) Debt securities include debentures, bonds, notes and other securities or instruments acknowledging, evidencing or creating indebtedness.
- (c) Non-debt securities shall mean all Tokens which are not classified as debt securities, including but not limited to all utility tokens.