

## Part A General Information of the Respondent

- (1) Please state whether your response represents your personal or your company's view by checking () the boxes below and filling in the information as appropriate:

Company view

Company name*:	The Hong Kong Society of Financial Analysts		
Company type*:	HKEx Participant:- <input type="checkbox"/> SEHK <input type="checkbox"/> HKFE <input type="checkbox"/> HKSCC <input type="checkbox"/> SEOCH <input type="checkbox"/> HKCC <input type="checkbox"/> Listed company <input checked="" type="checkbox"/> Professional body / Industry association <input type="checkbox"/> Market practitioner <input type="checkbox"/> None of the above		
Contact person*:	Ms	Ashley Khoo	
Title:			
Phone no.*:	2521 2543	Email address:	

Personal view

Respondent's full name*:	Mr/Ms/Mrs		
Phone no.*:		Email address:	
Among the following, please select the one best describing your position*:			
<input type="checkbox"/> Listed company staff	<input type="checkbox"/> HKEx participant staff	<input type="checkbox"/> Retail investor	
<input type="checkbox"/> Institutional investor	<input type="checkbox"/> None of the above		

**Important note:** All fields marked with an asterisk (\*) are mandatory. HKEx may use the contact information above to verify the identity of the respondent. Responses without valid contact details may be treated as invalid.

- (2) Disclosure of identity

HKEx may publish the identity of the respondent together with Part B of this response to the members of public. Respondents who do not wish their identities to be published should tick the box below:

I/We do not wish to disclose my/our identity to the members of the public.



\_\_\_\_\_  
Signature (with Company Chop if the response represents company view)

## Part B Consultation Questions

Please reply to the questions below that are raised in the Concept Paper downloadable from the HKEx website at: [add link]. Please indicate your preference by ticking the appropriate boxes.

Where there is insufficient space provided for your comments, please attach additional pages.

**We encourage you to read all of the following questions before responding.**

1. Should the Exchange<sup>1</sup> in no circumstances allow companies to use WVR structures?

Yes (in no circumstances allow companies to use WVR structures)

No

Please give reasons for your views below.

Please refer to the answer on the separate file attached.

**Please only answer the remaining questions if you believe there are circumstances in which companies should be allowed to use WVR structures.**

2. Should the Exchange permit WVR structures:

(a)  for all companies, including existing listed companies; or

(b)  only for new applicants (see paragraphs 147 to 152 of the Concept Paper);  
or

(c) only for:

(i)  companies from particular industries (e.g. information technology companies) (see paragraphs 155 to 162 of the Concept Paper), please specify below which industries and how we should define such companies;

---

<sup>1</sup> References to “the Exchange” in this Questionnaire mean The Stock Exchange of Hong Kong Limited, a HKEx subsidiary.

or

- (ii)  “innovative” companies (see paragraphs 163 to 164 of the Concept Paper), please specify how we should define such companies below;

or

- (iii)  companies with other specific pre-determined characteristics (for example, size or history), please specify with reasons below;

or

- (d)  only in “exceptional circumstances” as permitted by current Listing Rule 8.11<sup>2</sup> (see paragraph 81 of the Concept Paper) and, if so, please give examples below.

Please give reasons for your views below.

---

<sup>2</sup> GEM Rule 11.25.

To recognise the importance of control from management in some special industries/ segments while benchmarking other major permissible stock exchanges.

**If you wish, you can choose more than one of the options (b), (c) and (d) above to indicate that you prefer a particular combination of options.**

3. If a listed company has a dual class share structure with unequal voting rights at general meetings, should the Exchange require any or all of the restrictions on such structures applied in the US (see the examples at paragraph 153 of the Concept Paper), or others in addition or in substitution?

Please identify the restrictions and give reasons for your views below.

Yes. Similar restrictions should be implemented to control the risks involved. Such restrictions and their comparison should be shown to the public clearly. It worths a separate section in the listing circular, and regular warnings in regular earning releases and company filings.

4. Should other WVR structures be permissible (see Chapter 5 of the Concept Paper for examples), and, if so, which ones and under what circumstances?

Please give reasons for your views below. In particular, how would you answer Question 2 and Question 3 in relation to such structures?

No Comment.

5. Do you believe changes to the corporate governance and regulatory framework in Hong Kong are necessary to allow companies to use WVR structures (see paragraphs 67 to 74 and Appendix V of the Concept Paper)?

Yes

No

If so, please specify these changes with reasons below.

Introduction of class action, since the legal system doesn't provide the necessary checks and balances to protect minority interests

6. Do you have any comments or suggestions regarding the additional matters discussed in paragraphs 33 to 47 of the Concept Paper:

- (a) using GEM, a separate board, or a professional board to list companies with WVR structures (paragraphs 33 to 41 of the Concept Paper); and

We could consider launching a pilot scheme on the GEM board to facilitate the market development. Inadequate critical mass of separate board.

- (b) the prospect of overseas companies seeking to list for the first time on the Exchange with a WVR structure or seeking a further primary or secondary listing here (see paragraphs 44 to 47 of the Concept Paper)?

WVR structure should only be allowed in new applicants (first time listing), or those WVR companies with secondary listing in HKEX using the same WVR parameters as their primary listing location.

7. Do you have any other comments or suggestions regarding WVR structures?

Hong Kong has a greater retail investor participation culture than other developed markets, so investor protection should be given appropriate consideration and weight. As such, introduction of class action is warranted. Also as the HK market is dominated by family and Mainland SOE controlled companies, special consideration should be given to preventing existing HK listed companies from seeking to take advantage of WVR structures to the detriment of the investing public, e.g. by restructuring, going private and relisting assets.

- End -