

The Stock Exchange of Hong Kong Ltd.
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

Our Ref: CRO20150619-018

19 June 2015

To: Main Board Listed Issuers (Attn.: Authorised Representatives)
GEM Listed Issuers (Attn.: Authorised Representatives)
Market Practitioners

Dear Sir or Madam

Conclusions to Concept Paper on Weighted Voting Rights

We have today published the conclusions to the concept paper on weighted voting rights, or WVRs (“**Concept Paper**”).

The Concept Paper sought views on whether governance structures that give certain persons voting power or other related rights disproportionate to their shareholding (“**WVR structures**”) should be permissible for companies listed or seeking to list on the Exchange’s markets.

Currently, both applicants and listed companies must ensure that the voting power of their shares bears a “reasonable relationship” to the equity interest those shares represent. This means a shareholder cannot have greater voting power than another if both have the same amount of equity in a company. This is commonly known as the “one-share, one-vote” concept.

Having carefully considered all the responses to the Concept Paper, the Exchange has concluded that there is support for a second stage consultation on proposed changes to the Listing Rules on the acceptability of WVR structures. As indicated in the Conclusions to the Concept Paper, the Exchange is in the process of finalising a draft proposal that is intended to be refined through discussions with stakeholders to ensure that it has the benefit of their views before putting forward a proposal for formal consultation in the third quarter of 2015 or early in the fourth quarter of 2015, depending on the feedback.

WVR structures should not be available in all circumstances. We are considering proposing that, generally, “one share, one vote” should prevail but that WVR structures should be allowed for certain companies in certain circumstances and with certain safeguards. It is not our intention that such structures become commonplace in Hong Kong.

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The second stage consultation will also consider, as a separate issue, the secondary listing of companies with WVR structures. We will also seek feedback on whether the current prohibition on secondary listing for companies with a Greater China “centre of gravity” should be relaxed to a certain extent.

The Conclusions to the Concept Paper can be downloaded from the HKEx website at:
<http://www.hkex.com.hk/eng/newsconsul/mktconsul/Documents/cp2014082cc.pdf>.

Yours faithfully
For and on behalf of
The Stock Exchange of Hong Kong Limited

[Signed]

David Graham
Chief Regulatory Officer and Head of Listing