

REFERENCE LINKS

For the benefit of readers of the Concept Paper on Weighted Voting Rights, available [here](#), (“**Concept Paper**”), the following table contains links to external information referenced in the footnotes of that paper. A footnote is not included in the table if it does not reference external information or the external information is not available online.

The terms used in the table are defined in the “Definitions” section of the Concept Paper.

Please refer to HKEx’s hyperlinks policy [here](#), in particular our policy on hyperlinks from HKEx’s website.

Footnote No.	External Information	Web Link
1.	Main Board Listing Rule 2.03.	click here
2.	FSDC, “ <i>Positioning Hong Kong as an International IPO Centre of Choice</i> ”, (18 June 2014), paragraph 4.9.2, page 58.	click here
3.	Main Board Listing Rule 2.03(4).	click here
4.	Main Board Listing Rule 2.06.	click here
5.	Main Board Listing Rule 8.11. GEM Listing Rule 11.25.	click here click here
6.	The World Bank and International Finance Corporation, “Doing Business 2014 – United States”, page 62 and “Doing Business 2014 – Hong Kong SAR, China”, page 58.	United States: click here Hong Kong: click here
7.	Companies Ordinance (Cap 622), section 588(3)(a) and (4).	click here
8.	Companies Ordinance (Cap 622), section 588. Companies (Model Articles) Notice, section 50(4).	click here click here
9.	Main Board Listing Rule 8.11(1). GEM Listing Rule 11.25.	click here click here
10.	Main Board Listing Rule 8.11. GEM Listing Rule 11.25.	click here click here
11.	Global Financial Centres Index 15.	click here

Footnote No.	External Information	Web Link
12.	IMD World Competitiveness Yearbook 2014.	click here
13.	World Economic Forum Financial Development Index 2012.	click here
14.	Securities and Futures (Amendment) Ordinance 2012.	click here
15.	SFC, “ <i>Consultation Paper on the regulation of sponsors</i> ”, (May 2012), paragraph 34, page 8.	click here
22.	FSDC, “ <i>Positioning Hong Kong as an International IPO Centre of Choice</i> ”, (18 June 2014), “Section 5 Conclusion”, page 60.	click here
24.	HKEx media presentation, 8 May 2014.	click here
27.	HKSAR Chief Executive, “The 1998 Policy Address”, (7 October 1998), paragraph 42.	click here
29.	See LSE website, “High Growth Segment” webpage.	click here
30.	GEM Listing Rule 11.25.	click here
31.	GEM Listing Rule 2.06(4).	click here
32.	In 2009, the SFC imposed conditions to the listing and trading of the shares of United Company Rusal (stock code: 486) on the Exchange which included, amongst others, that (a) its initial public offering was limited to professional investors who were willing to subscribe for or purchase at least HK\$1 million worth of the company’s shares; and (b) required the company to implement a minimum board lot that resulted in a trading value, as at the listing date, of at least HK\$200,000. The company’s IPO listing document was required to state prominently that the company’s shares should only be bought and traded by persons who are particularly knowledgeable in investment matters and could afford to lose their investment.	click here
33.	www.csrc.gov.cn: 2014年3月7日新闻发布会	click here (Chinese only)

Footnote No.	External Information	Web Link
34.	To determine a company's "centre of gravity", factors that are taken into account include (among others): the company's place of incorporation; the location of its headquarters, its place of central management and control; the location of its main business operations and assets; and the nationality of its management and controlling shareholders or their country of residence.	click here
35.	SFC & HKEx, Joint Policy Statement Regarding the Listing of Overseas Companies, paragraph 12.	click here
36.	FSDC, " <i>Positioning Hong Kong as an International IPO Centre of Choice</i> ", (18 June 2014), "1.4 Possible Way Forward", page 8.	click here
38.	GEM Rule 11.25.	click here
39.	See HKEx, "Guidance on Pre-IPO Investments (HKEx-GL43-12)", (October 2012) (Updated in July 2013) and "Guidance on Pre-IPO investments in convertible instruments (HKEx-GL44-12)", (October 2012).	GL43-12: click here GL44-12: click here
40.	GEM Listing Rule 2.06(4). MB Listing Rule 2.03(4).	click here click here
41.	GEM Listing Rule 2.09. MB Listing Rule 2.06.	click here click here
43.	For example, Rafael La Porta, Florencio Lopez-de-Silanes, Andrei Shleifer and Robert W. Vishny, " <i>Investor Protection and Corporate Governance</i> " (1999); Stijn Claessens, Simeon Djankov and Larry H.P. Lang, " <i>The separation of ownership and control in East Asian Corporations</i> " (2000); and Mara Faccio and Larry H.P. Lang, " <i>The ultimate ownership of Western European corporations</i> " (2002).	La Porta, et al.: click here Claessens, et al.: click here Faccio and Lang: click here
44.	Simon Johnson, Rafael La Porta, Florencio Lopez-de-Silanes and Andrei Shleifer, " <i>Tunnelling</i> ", (2000), <i>American Economic Review</i> 90, 22–27.	click here

Footnote No.	External Information	Web Link
46.	See Legislative Council Panel on Financial Affairs (Papers), <i>“Information Note for LegCo Panel on Financial Affairs Policy Initiatives of the Financial Services and the Treasury Bureau”</i> , CB(1)35/07-08(01), (October 2007), paragraph 20.	click here
48.	OECD, <i>“Lack of Proportionality Between Ownership and Control: Overview and Issues for Discussion”</i> , (December 2007).	click here
50.	OECD Report, paragraph 7.3, page 40.	click here
51.	The World Bank and International Finance Corporation, <i>“Doing Business 2014 – United States”</i> , page 62 and <i>“Doing Business 2014 – Hong Kong SAR, China”</i> , page 58.	United States: click here Hong Kong: click here
52.	FSDC, <i>“Positioning Hong Kong as an International IPO Centre of Choice”</i> , (18 June 2014), paragraph 4.4.3, page 44.	click here
54.	SFC Annual Report 2012-13, Table 9, page 127.	click here
56.	Section 214 of the SFO (unfair prejudice). Sections 168BA to 168BK of the former Companies Ordinance (derivative action). Sections 731 to 738 of the Companies Ordinance (derivative action).	click here click here click here
57.	HKEx, <i>“Retail Investor Survey 2011”</i> , (April 2012), pages 1 and 5.	click here
58.	Source: Board of Governors of the Federal Reserve System, Federal Reserve Bulletin, <i>“Changes in U.S. Family Finances from 2007 to 2010: Evidence from the Survey of Consumer Finances”</i> , (June 2012), page 28. The definition of a “family” in this report includes a single person with no children.	click here
59.	HKEx, <i>“Cash Market Transaction Survey 2012/13”</i> , (February 2014), page 7.	click here
60.	Alicia Davis Evans, <i>“A Requiem for the Retail Investor?”</i> , Virginia Law Review, Vol. 95, No. 4:1105, (June 2009).	click here

Footnote No.	External Information	Web Link
61.	Companies Ordinance (Cap 622), section 588(4). Companies (Model Articles) Notice, section 50(4).	click here click here
62.	GEM Listing Rule 11.25 is broadly the same as Main Board Rule 8.11 but does not have an exemption for companies that already have “B” shares in issue. No GEM listed company has “B” shares in issue.	GEM Rule 11.25: click here MB Rule 8.11: click here
64.	Swire Pacific Ltd website, “Investor Relations”, “Share Price”.	click here
74.	Source: HKEx Fact Book 2013, “Market Capitalisation 1986 – 2013”, page 27. Market capitalisation figure as at the end of 2003 and 2013 was HK\$5,478 billion and HK\$23,909 billion respectively.	click here
75.	Source: World Federation of Exchanges website, Monthly Statistics Table 1.5.	Monthly Statistics Reports download site: click here
76.	“ <i>Report of the Focus Group on Financial Services</i> ”, (January 2007), paragraphs 1.09 to 1.10.	click here
77.	<i>Hong Kong: China’s Global Financial Centre</i> , (November 2013), published by the Government of the HKSAR.	click here
78.	Securities and Futures (Amendment) Ordinance 2012.	click here
79.	SFC Website, News, “ <i>One year into statutory regime on disclosure of inside information</i> ”, (9 January 2014).	click here
80.	SFC, “ <i>Consultation Paper on the regulation of sponsors</i> ”, (May 2012), paragraph 34.	click here
81.	FSDC, Research Paper No.1, “ <i>Strengthening Hong Kong as a Leading Global International Financial Centre</i> ”, (November 2013), paragraphs 9(b) and (g) and 31.	click here

Footnote No.	External Information	Web Link
82.	FSDC, “ <i>Positioning Hong Kong as an International IPO Centre of Choice</i> ”, (18 June 2014), “1.4 Possible Way Forward”, page 8.	click here
84.	<i>Hong Kong: China’s Global Financial Centre</i> , (November 2013), published by the Government of the HKSAR.	click here
85.	FSDC, Research Paper No.1, “ <i>Strengthening Hong Kong as a Leading Global International Financial Centre</i> ”, (November 2013), paragraphs 9(b) and (g) and 31.	click here
98.	HKEx media presentation, 8 May 2014.	click here
99.	FSDC, “ <i>Positioning Hong Kong as an International IPO Centre of Choice</i> ”, (18 June 2014), “1.4 Possible Way Forward”, page 8.	click here
101.	LightInTheBox Holding Company Ltd has a single class share structure. However, its controlling shareholders have three votes per share on resolutions regarding a change of control that are subject to a shareholder vote at a general meeting (LightInTheBox Holding Company Ltd, articles of association, Exhibit 3.2 to Form F-1/A filed on 23 May 2013, paragraph 21.2).	click here
102.	IRRCi and ISS, “ <i>Controlled Companies in the Standard & Poor’s 1500: A Ten Year Performance and Risk Review</i> ”, (October 2012).	click here
106.	Main Board Listing Rule 8.05(1).	click here
107.	This conclusion is based solely on testing financial data presented by these companies in their US IPO prospectuses against the quantitative financial eligibility criteria of Main Board Rules 8.05(1) to (3) and GEM Rule 11.12A(1). We did not test against suitability requirements or non-financial eligibility criteria (e.g. management and ownership continuity requirements). Youku.com, Inc and Tudou Holdings Ltd merged on 23/08/2012 and are counted as one company for the purpose of these figures.	MB Rules 8.05(1) to (3): click here GEM Rule 11.12A(1): click here

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108.	<p>The IRRCi Study defines a “controlled company” as one in which a person or a group collectively:</p> <p>(a) owns 30% or more of a company's voting power; or</p> <p>(b) has the ability to elect a substantial number (40% or more) of the board.</p> <p>This definition is very close to the definition of a “controlling shareholder” in the Listing Rules.</p>	<p>IRRCi Study definition: click here</p> <p>MB definition: click here</p> <p>GEM definition: click here</p>
110.	<p>As at 1 January 2012. Percentages shown indicate the percentage each category represents of the 114 “controlled companies” within the S&P 1500 Composite Index. Source: IRRCi Study.</p>	<p>IRRCi Study: click here</p>
111.	<p>Autohome, Inc, articles of association, Exhibit 3.2 to Form F-1/A, filed on 27 November 2013, paragraphs 87(1), 87(5) and 88(1).</p>	<p>click here</p>
112.	<p>A similar provision is found in the articles of Baidu, Inc which state that the attendance of Yanhong (Robin) Li, the company’s co-founder, is necessary to achieve a quorum at a board meeting (Baidu, Inc, articles of association, Exhibit 3.1 to Form F-1 filed on 12/07/2005, paragraph 89).</p>	<p>click here</p>
113.	<p>JD.com, articles of association, Exhibit 3.2 to Form F-1/A filed on 19 March 2014, paragraphs 90(e), 112 and 114.</p>	<p>click here</p>
114.	<p>LightInTheBox Holding Company Ltd, articles of association, Exhibit 3.2 to Form F-1/A filed on 23 May 2013, paragraph 21.2.</p>	<p>click here</p>
115.	<p>Alibaba Group Holding Limited, Form F-1 filed on 6 May 2014, pages 187 and 206. An amendment to this Form F-1 filed on 11 July 2014 (page 206) states that if at any time the board of directors consists of less than a simple majority of directors nominated or appointed by the Alibaba Partnership for any reason, the Alibaba Partnership will be entitled (in its sole discretion and without the need for additional shareholder action) to appoint such number of additional directors to the board as necessary to ensure that the directors nominated or appointed by the Alibaba Partnership comprise a simple majority of the board of directors.</p>	<p>6 May 2014 filing: click here</p> <p>11 July 2014 filing: click here</p>

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117.	NYSE Listed Manual, Rule 313(A).	click here
118.	NASDAQ Stock Market Rule 5640	click here
120.	Unless the multiple-voting shares are transferred to another founder or to a trustee nominated by the founder prior to his death and approved by the board of directors (see Google, Inc certificate of incorporation, exhibit 3.01.2 to Form S-1/A filed on 9 August 2004, Article IV, Section 2(f)(iv)). Groupon has a similar provision in its certificate of incorporation (see Groupon, Inc certificate of incorporation, exhibit 3.2 to Form S-1/A filed on 1 November 2011, Article IV, Section 4(f)).	Google: click here Groupon: click here
121.	Groupon’s two classes of common stock will automatically convert into a single class of common stock on 9 November 2016, five years after the filing of their sixth amended and re-stated certificate of incorporation with the State of Delaware (Sources: Groupon, Inc, certificate of incorporation, exhibit 3.2 to Form S-1/A, filed on 1 November 2011, Article IV, Section 4(a)(iii) “Final Conversion Date” and (d) “Final Conversion of Class A Common Stock and Class B Common Stock”; and 2013 Proxy Statement (Form DEF 14A), filed on 29 April 2013, Note 1 to “Information Regarding Beneficial Ownership of Principal Shareholders, Directors and Management”).	Certificate of Incorporation: click here 2013 Proxy Statement: click here
124.	This is available on the Hang Seng Indexes Company Limited website.	click here
126.	GEM Rule 11.25.	click here
127.	43 of the S&P 1500 Composite Index. IRRCi Study, pages 4 and 5 (34 with “super voting shares” plus nine with “super voting shares” that also have “enhanced or exclusive director election rights”).	click here
128.	Delaware General Corporation Law §212(a) states: “ <i>Unless otherwise provided in the certificate of incorporation...each stockholder shall be entitled to 1 vote for each share of capital stock held by such stockholder.</i> ”	click here

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129.	IRRCi Study, page 5 (14 with non-voting shares plus four with limited voting shares).	click here
130.	Delaware General Corporation Law §151(a).	click here
131.	NYSE Listed Company Manual, Rule 313(B).	click here
132.	These companies include K-Swiss Inc, Nike Inc, The Hershey Company, The New York Times Company and The Washington Post Company. IRRCi Study, pages 19 to 22.	click here
134.	Stephen M. Bainbridge, “ <i>The Scope of the SEC’s Authority over Shareholder Voting Rights</i> ”, (May2007), page 6.	click here
135.	Stephen M. Bainbridge, “ <i>The Scope of the SEC’s Authority over Shareholder Voting Rights</i> ”, (May2007), page 6.	click here
136.	Joel Seligman, “ <i>Equal Protections in Shareholder Voting Rights: The One Common Share, One Vote Controversy</i> ”, (August 1986) 54 Geo.Wash.L.Rev.687.	click here (subscription required)
137.	Joel Seligman, “ <i>Equal Protections in Shareholder Voting Rights: The One Common Share, One Vote Controversy</i> ”, (August 1986) 54 Geo.Wash.L.Rev.687.	click here (subscription required)
138.	Daniel R. Fischel, “ <i>Organized Exchanges and the Regulation of Dual Class Common Stock</i> ”, (1987), page 121.	click here
139.	SEC news digest Issue 86-237, 10 December 1986.	click here
140.	NASD Press Release, “87-32 Request for Comments on Shareholder Voting Rights Proposal For NASDAQ Companies”, 30 June 1987	click here
141.	<i>Business Roundtable v. SEC.</i> , 905 F2d 406 (D.C.Cir.1990). Also see Stephen M. Bainbridge, “ <i>The Short Life and Resurrection of SEC Rule 19c-4</i> ”, (1991).	Business Roundtable v. SEC: click here Bainbridge: click here

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142.	NYSE will consider, among other things, the economics of such actions or issuances and the voting rights being granted. NYSE's interpretations will be flexible, recognizing that both the capital markets and the circumstances and needs of listed companies change over time. (NYSE Listed Company Manual, Rule 313(A))	click here
143.	TSX July 2013 eReview, Chapter 5, page 1.	click here
144.	The Canadian corporate law regime is regulated by provincial law and federal law. This section sets out requirements under federal corporate law (Canada Business Corporations Act). The Canadian securities market is regulated by provincial laws.	click here
145.	Canada Business Corporations Act, section 140(1).	click here
146.	Canada Business Corporations Act, sections 6(1)(c) and 24(3) to (4).	Section 6(1)(c): click here Section 24(3) to (4): click here
147.	TSX Company Manual, Part I, Interpretation and Part VI(H), Section 624.	Part I: click here Part VI(H): click here
148.	TSX Company Manual, Part VI(H), Section 624(m).	click here
149.	Canada Business Corporations Act, sections 6(1)(c), 24(4)(b) and 176(1).	Section 6(1)(c): click here Section 24(4)(b): click here Section 176(1): click here

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150.	TSX Company Manual, Part I, Interpretation and Part VI(H), Section 624.	Part I: click here Part VI(H): click here
151.	TSX July 2013 eReview, Chapter 5, page 1.	click here
152.	See Patheon Inc, SEC Proxy Statement (Form DEFM14A), filed on 4 February 2014, pages 169, 201, 208 and 210.	click here
153.	The ISS Report (see definitions) studied the prevalence of WVR structures in the EU and their regulation in each member state to determine whether the EU should harmonize its approach to these structures. Based on its findings and reports from other EU bodies, the European Commissioner for the Internal Market and Services, Charlie McCreevey, decided there was no need for action at an EU level on this issue.	click here
154.	ISS Report, page 38	click here
155.	The remaining company, L’Air Liquide S.A., had dual classes of shares in issue (ordinary shares and preference shares) with equal voting rights (see ISS Report, page 68).	click here
156.	French Commercial Code Article L.225-123.	click here
157.	French Commercial Code Article L.225-124.	click here
158.	The French Commercial Code provides that, with the exception of time-phased double voting right shares, voting rights attached to capital or dividend shares shall be in proportion to the share of the capital they represent and each share shall entitle the holder to at least one vote (Article L.225-122).	click here
159.	Exhibit C (Part I) to the ISS Report, page 244.	click here
160.	French Commercial Code Articles L.228-11 to L.228-20.	click here
161.	Section 12(2) of the German Stock Corporation Act.	click here

Footnote No.	External Information	Web Link
162.	Wolf-Georg Ringe, “ <i>Deviations from Ownership-Control Proportionality—Economic Protectionism Revisited</i> ”, (2010), pages 217-218.	click here
163.	Section 12(2) of the German Stock Corporation Act of 1937 (see Wolf-Georg Ringe, “ <i>Deviations from Ownership-Control Proportionality—Economic Protectionism Revisited</i> ”, (2010), page 226).	German Stock Corporation Act, section 12(2): click here Ringe: click here
164.	Corporate Sector Supervision and Transparency Act, Article 1(2) (see Exhibit C (Part I) to the ISS Report, page 95).	click here
165.	Introductory Act to the German Stock Corporation Act, Section 5(1) which regulates transitional provisions regarding existing superior voting rights (see Exhibit C (Part I) to the ISS Report, page 95).	click here
166.	German Stock Corporation Act, Sections 12(1), and 139 to 141.	Section 12(1): click here Sections 139 to 141: click here
167.	German Stock Corporation Act, Section 101(2).	click here
168.	Italian Civil Code, Article 2351(4).	click here (Italian only)
169.	CONSOB, S. Alvaro, A. Ciavarella, D. D’Eramo, N. Linciano, Quaderni giuridici, “ <i>La deviazione dal principio ‘un’azione – un voto’ e le azioni a voto multiplo</i> ”, (January 2014).	click here (Italian only) (English translation of the Executive Summary is provided)
170.	Italian Civil Code, Article 2351(2).	click here (Italian only)
171.	Rules of the markets organised and managed by Borsa Italiana, Article 2.2.2(5).	click here

Footnote No.	External Information	Web Link
172.	Exhibit C (Part I) to the ISS Report, page 322.	click here
173.	Italian Civil Code, Article 2351(2).	click here (Italian only)
174.	ISS Report, page 26.	click here
175.	Dutch Civil Code, Article 2:118(3)	click here
176.	Exhibit C (Part II) to the ISS report, page 113.	click here
177.	Dutch Civil Code, Article 2:118(1).	click here
178.	Spanish Corporate Enterprises Act 2010, Title IV, Chapter II, Section 96(2).	click here
179.	Spanish Corporate Enterprises Act 2010, Title IV, Chapter II, Section 99.	click here
180.	Exhibit C (Part I) to the ISS Report, page 210.	click here
181.	NASDAQ OMX – Nordic website as at 22 August 2014.	click here
182.	Exhibit C (Part II) to the ISS Report, page 233.	click here
183.	Swedish Companies Act, Chapter 4, Section 1.	click here
184.	Swedish Companies Act, Chapter 4, Sections 2-3.	click here
185.	Swedish Companies Act, Chapter 4, Section 5.	click here
186.	ISS Report, pages 120-121.	click here
188.	See the <i>Financial Times</i> article, “Sweden to outline new takeover rules”, (23 August 2009).	click here
189.	Section II.11 of the Rules concerning Takeover Bids on the Stock Market - NASDAQ OMX Stockholm (dated 1 July 2012).	click here
191.	Exhibit C (Part II) to the ISS Report, pages 235-236.	click here
192.	Swedish Companies Act, Chapter 8, Section 8.	click here
193.	Swedish Companies Act, Chapter 8, Section 47.	click here

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194.	ISS Report, page 125. The ISS Report noted only that BP plc had preference shares in issue with lower voting rights than its OSOV shares.	click here
195.	Section 284 of the UK Companies Act 2006.	click here
196.	UK Listing Rule 7.2.1A, Premium Listing Principle 5.	click here
197.	Wolf-Georg Ringe, “ <i>Deviations from Ownership-Control Proportionality—Economic Protectionism Revisited</i> ”, (2010), page 228.	click here
198.	Wolf-Georg Ringe, “ <i>Deviations from Ownership-Control Proportionality—Economic Protectionism Revisited</i> ”, (2010), pages 226 and 228.	click here
199.	See UK Financial Conduct Authority, CP12/25 “ <i>Enhancing the effectiveness of the Listing Regime and feedback on CP 12/2</i> ”, (October 2012), paragraphs 7.145-7.148.	click here
200.	See UK Financial Conduct Authority, CP13/15 “ <i>Enhancing the effectiveness of the Listing Regime: feedback to CP12/25 and further consultation on related issues</i> ”, (November 2013), paragraphs 9.2 to 9.4. The UKLA stated that only a small number of issuers (about 10) had shares classes or structures that would not meet the proposed new requirements.	click here
201.	As at 30 September 2013, The Viscount Rothermere, the chairman of Daily Mail and General Trust plc, had a beneficial interest in 17,738,163 of the company’s 19,886,472 OSOV ordinary shares (89.1%) and 68,570,093 of the company’s 373,687,330 non-voting ordinary shares (17.4%). Source: Daily Mail and General Trust plc, Annual Report 2013, pages 67 and 152. This means, as at 30 September 2013, The Viscount Rothermere could exercise 89.2% of the voting power in the company by holding only 21.9% of the company’s total issued share capital.	click here

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202.	Source: FCA website – “Official List” and London Stock Exchange website – “List of All Companies”.	UKLA Official List: click here LSE List of All Companies: click here
203.	OECD Report, page 19.	click here
204.	Exhibit C (Part II) to the ISS Report, page 272.	click here
205.	Australian Corporations Act 2001, section 250E.	click here
206.	Australian Corporations Act, sections 124, 254A and 254B(1) provide that a company may determine the terms on which its shares are issued and the rights or restrictions attaching to the shares.	Section 124: click here Sections 254A and 254B(1): click here
207.	ASX rules 6.2 and 6.9.	Rule 6.2: click here Rule 6.9: click here
209.	Exhibit C (Part II) to the ISS Report, page 381.	click here
210.	Business Spectator, “ <i>Risk without rights</i> ”, (2 January 2008).	click here
212.	Exhibit C (Part II) to the ISS Report, page 381.	click here

Footnote No.	External Information	Web Link
213.	ASX, “ <i>Guidance Note 3 Cooperatives and Mutual Business Entities</i> ” (September 2001). The Note discusses the circumstances in which it may exercise that discretion to allow WVR structures in the case of co-operatives and mutual business entities. This does not limit ASX’s capacity to grant waivers to allow WVR structures in other cases. The ASX has granted such waivers from time to time, although this has generally been for technical reasons rather than to facilitate a mechanism that enables shareholders to obtain voting power that is disproportionate to their economic interest. The Note contemplates that ASX may grant waivers to allow special voting rights in respect of some matters, as well as enhanced or exclusive director election rights or priority shares – for example, the reference in paragraph 34 of the Note to founder shares having special rights in relation to changes to the company’s articles/constitution and takeover matters.	click here
214.	News Corporation, “ <i>Information Memorandum in relation to a proposal to “re-incorporate” in the United States and to acquire from Murdoch family interests their shareholding in Queensland Press Pty Limited</i> ”, (15 September 2004), page A-4 (see Exhibit B to SEC Form 6-K/A filed on 15 September 2004).	click here
215.	ASX, “ <i>Non-Voting Ordinary Shares: ASX Public Consultation</i> ”, (14 December 2007).	click here
216.	ASX, “ <i>Non-Voting Ordinary Shares: ASX Public Consultation</i> ”, (14 December 2007), paragraph 2.5.	click here
217.	Article 82 of the “ <i>Guide to the Articles of Association of Listed Companies (Revised in 2006)</i> ”.	Guide to the Articles of Association: click here Companies Law: click here
218.	Japan Companies Act, Article 108(2)(iii).	click here
219.	Japan Companies Act, Article 115.	click here

Footnote No.	External Information	Web Link
220.	TSE rules, Main Markets, Criteria for Listing, Formal Requirements (Domestic Stocks), paragraph 11 “Classes of stock”.	click here
221.	Korean Commercial Code, Article 369(1) states that a shareholder shall have one vote for each share.	click here
222.	IFLR, “ <i>South Korea: Fundamental Changes</i> ”, (1 April 2012); Conventus Law, “ <i>Jurisdiction – Korea: Reports and Analysis, Korea – Introduction to Amendments to the Korean Commercial Code</i> ”, (February 2012); Byoung-Ki Lee and Sun-Hee Park, Bae, Kim & Lee LLC, “ <i>Recent Amendments to the Korean Commercial Code</i> ”, (1 November 2012); Shin & Kim, “ <i>Share Classes Under the Amended Korean Code</i> ”, (14 June 2011).	IFLR: click here Conventus Law: click here Bae, Kim & Lee: click here Shin & Kim: click here
223.	Korea Financial Investment Services and Capital Markets Act, Article 165-15.	click here
224.	Singapore Companies Act, Section 64.	click here
225.	SGX, Regulators Column – “ <i>The Capital Structure of Listed Companies in Singapore</i> ”, (20 September 2011).	click here
226.	Singapore Ministry of Finance, “Review of the Singapore Companies Act – Ministry of Finance’s Responses to the Report of the Steering Committee for Review of the Companies Act”, (3 October 2012), paragraphs 70 to 75.	click here
228.	Newspaper and Printing Presses Act (Cap.206), Section 10.	click here
231.	Alexander Dyck and Luigi Zingales, “ <i>Private Benefits of Control: An International Comparison</i> ”, (April 2004).	click here

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233.	Although generally when a WVR structure is collapsed through takeover (see Bauguess, Slovin and Sushka (2011) at footnotes 253 and 257 below) or share consolidation (such as the various Hong Kong listed companies that formerly had dual classes of share and now have only one class of shares), all shareholders receive the same amount for their shares (subject to differences in cash flow rights) regardless of the voting rights attached.	click here
234.	Scott B. Smart, Ramabhadran S. Thirumalai and Chad J. Zutter, <i>“What’s in a vote? The short- and long-run impact of dual-class equity on IPO firm values”</i> , (July 2007).	click here
236.	Ronald W. Masulis, Cong Wang and Fei Xie, <i>“Agency Problems at Dual-Class Companies”</i> , (June 2008).	click here
237.	Anete Pajuste, <i>“Determinants and Consequences of the Unification of Dual-Class Shares”</i> , (March 2005).	click here
238.	Renée Adams and Daniel Ferreira, <i>“One Share, One Vote: The Empirical Evidence”</i> , (December 2007).	click here
240.	Paul A. Gompers, Joy L. Ishii and Andrew Metrick, <i>“Extreme Governance: An Analysis of Dual-Class Companies in the United States”</i> , (May 2008).	click here
242.	Ronald W. Masulis, Cong Wang and Fei Xie, <i>“Agency Problems at Dual-Class Companies”</i> , (June 2008).	click here
243.	Kai Li, Hernan Ortiz-Molina and Xinlei Zhao, <i>“Do Voting Rights Affect Institutional Investment Decisions? Evidence from Dual-Class Firms”</i> , November 2007.	click here

Footnote No.	External Information	Web Link
244.	<p>The paper by Li, Ortiz-Molina and Zhao (see footnote 243 above) is a good example of the extent to which adjustments, as described in paragraphs 7 and 8 of Appendix IV to the Concept Paper, affect the result of studies. Based on the aggregate unadjusted data, they found that institutional investors invested 3.24% more in companies with a dual class structure compared to companies with a single-class structure. However, after making a number of adjustments for control variables, their findings were reversed, concluding that institutional investors invested 3.6% less in companies with a dual class structure. This represented 11% of the holdings of institutional shareholders based on the sample used (since institutional ownership represented 33% of total market holdings). The direction of this result is supported by their other findings, leading them to make the conclusion referred to above.</p>	<p>click here</p>
245.	<p>Li, Ortiz-Molina and Zhao (see footnote 243) also looked at 79 companies in the sample that moved from a WVR structure to a “one–share, one–vote” structure and found that institutional investor ownership rose.</p>	<p>click here</p>
246.	<p>Scott B. Smart, Ramabhadran S. Thirumalai and Chad J. Zutter, “<i>What’s in a vote? The short- and long-run impact of dual-class equity on IPO firm values</i>”, (July 2007).</p>	<p>click here</p>
247.	<p>There are two other studies on this topic worth mentioning: the most recent, “<i>Dual Class Companies: Do Inferior Voting Shares Make Inferior Investments?</i>” by Judith Swisher (2006), looking at 72 companies that did an IPO in the United States from 1990 to 2003 with a dual class structure found no significant difference in the three year post-IPO performance of companies with a dual class structure compared to a “one-share, one–vote” structure. However an older study, “<i>The effect of capital structure and consolidated control on firm performance: The case of dual-class IPOs</i>” by Ekkehart Böhmer, Gary C. Sanger, and Sanjay B. Varshney (1996), which analysed 98 dual-class IPOs from 1984 to 1988, found that companies that did an IPO with a dual-class structure outperformed companies that did an IPO with a “one–share, one–vote” structure over a three year period post-IPO.</p>	<p>Swisher: click here Böhmer, et al.: click here (abstract only – not available for download)</p>

Footnote No.	External Information	Web Link
248.	Martin Holmén, <i>“Foreign Investors and Dual Class Shares”</i> , (February 2011).	click here
249.	Anete Pajuste, <i>“Determinants and Consequences of the Unification of Dual-Class Shares”</i> , (March 2005).	click here
250.	Lucian A. Bebchuk, <i>“The Myth that Insulating Boards Serves Long-term Value”</i> , (September 2013).	click here
251.	Lucian A. Bebchuk, Alon Brav and Wei Jian, <i>“The Long-term Effects of Hedge Fund Activism”</i> , (July 2013).	click here
252.	Michael L. Lemmon and Karl V. Lins, <i>“Ownership Structure, Corporate Governance, and Firm Value: Evidence from the East Asian Financial Crisis”</i> , (August 2003).	click here
253.	Scott W. Bauguess, Myron B. Slovin, and Marie E. Sushka, <i>“Large shareholder diversification, corporate risk taking, and the benefits of changing to differential voting rights”</i> , (October 2011).	click here
254.	There is also theoretical support for this argument - Thomas J. Chemmanur and Yawen Jiao, in <i>“Dual class IPOs: A theoretical analysis”</i> , (2011), concluded that shareholder value would be maximised by placing a limit is set on the maximum ratio of votes between superior and inferior voting shares and having regulations focused on seeking to prevent management from extracting private benefits of control.	click here

Footnote No.	External Information	Web Link
255.	<p>Although there is no support in the studies looking at changing from a WVR structure to a “one-share, one-vote” structure. Beni Lauterbach and Yishay Yafeh in “<i>Long Term Changes in Voting Power and Control Structure following the Unification of Dual Class Shares</i>”, (April 2009), studied 80 Israeli companies that moved from a WVR structure to a “one-share, one-vote” structure in the 1990s and compare these against companies that retained a WVR structure until the 2000s. They found no significant improvement (or decline) in the performance of companies moving to a “one-share, one-vote” structure, although they note that this may in part be because the controlling shareholders were generally able to remain controlling shareholders throughout the period notwithstanding the change in capital structure. Scott B. Smart, Ramabhadran S. Thirumalai and Chad J. Zutter in “<i>What’s in a vote? The short- and long-run impact of dual-class equity on IPO firm values</i>”, (July 2007), found that 37 US companies that unified a WVR structure to a “one-share, one-vote” structure experienced a positive stock price reaction which narrowed the discount that applied to the WVR structure companies at and post IPO compared to non-WVR structure companies to between one fifth and one third.</p>	<p>Lauterbach and Yafeh: click here</p> <p>Smart, et al.: click here</p>
256.	<p>Valentin Dimitrov and Prem C. Jain, “<i>Recapitalization of One Class of Common Stock into Dual-class: Growth and Long-run Stock Returns</i>”, (2004).</p>	<p>click here</p>
257.	<p>Scott W. Bauguess, Myron B. Slovin and Marie E. Sushka, “<i>Large shareholder diversification, corporate risk taking, and the benefits of changing to differential voting rights</i>”, (October 2011).</p>	<p>click here</p>
258.	<p>Cornerstone Research, “<i>Securities Class Action Filings – 2012 Year in Review</i>”, page 3.</p>	<p>click here</p>
259.	<p>Johnathan M. Karpoff, D. Scott Lee and Gerald S. Martin, “<i>The Legal Penalties for Financial Misrepresentation</i>”, (2007), page 4.</p>	<p>click here</p>
260.	<p>The Law Commission of Hong Kong, “<i>Report – Class Actions, (May 2012)</i>”, Annex I, page 275.</p>	<p>click here</p>

Footnote No.	External Information	Web Link
261.	The Law Reform Commission of Hong Kong's Annual Report on Implementation to LegCo 2014 states that the first six meetings of the Working Group were held in February, May, July and November 2013, and February and May 2014. In addition, a sub-committee to the Working Group has been formed to assist the Working Group on technical issues that might arise during its deliberations. The sub-committee held its first meeting in April 2014. The Government will map out the way forward in light of the recommendations to be made by the Working Group.	click here
263.	Section 214 of the SFO (unfair prejudice). Sections 723 to 727 of the Companies Ordinance (Cap 622) (unfair prejudice). Sections 731 to 738 of the Companies Ordinance (Cap 622) (derivative action).	click here click here click here
265.	A Foreign Private Issuer (as defined by rule 405 of Regulation C under the Securities Act) may elect to qualify for listing either under NYSE's Alternate Listing Standards for Foreign Private Issuers or its criteria for US domestic listings. US domestic issuer standards are shown here as they are less stringent. Tests shown are for listing in connection with an IPO.	click here