



香港聯合交易所有限公司

(香港交易及結算所有限公司全資附屬公司)

THE STOCK EXCHANGE OF HONG KONG LIMITED

(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

Our Ref: HOL20201030-057

30 October 2020

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

Dear Sirs

### **Consultation Conclusions on Corporate WVR Beneficiaries**

We have today published conclusions to the consultation on the Corporate WVR beneficiaries (Consultation Conclusions).

### **Consultation Conclusions**

The Consultation Conclusions represent the results of a public consultation held from 31 January 2020 to 31 May 2020<sup>1</sup> on whether corporates should be permitted to benefit from weighted voting rights (WVR). We received feedback from a broad range of respondents that were representatives of all stakeholders in the Hong Kong market.

While a majority of respondents agreed, in principle, that corporate WVR beneficiaries should be permitted, there were very diverse views and expectations as to how the proposed regime would operate in practice and whether (and if so what) modifications were required for it to operate as intended.

As a way forward, the Exchange will treat Greater China Issuers<sup>2</sup> that are: (a) controlled by corporate WVR beneficiaries<sup>3</sup> (as at 30 October 2020) and (b) primary listed on a Qualifying Exchange<sup>4</sup> (on or

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<sup>1</sup> The Exchange extended the consultation to 31 May 2020 to give more time to all those who wanted to respond to the consultation to do so following the significant changes to working arrangements that occurred due to outbreak of COVID-19.

<sup>2</sup> An issuer with its centre of gravity in Greater China as defined by Chapter 19C of the Main Board Listing Rules.

<sup>3</sup> "Controlled by corporate WVR beneficiaries" means that a single corporate WVR beneficiary (or a group of corporate beneficiaries acting in concert) holds the largest share of the voting power in the listed issuer, which must amount to at least 30% of shareholders' votes carried by the issuer's share capital, as at 30 October 2020.

<sup>4</sup> The following are "Qualifying Exchanges": The New York Stock Exchange LLC, Nasdaq Stock Market and the Main Market of the London Stock Exchange plc (and belonging to the UK Financial Conduct Authority's "Premium Listing" segment).

before 30 October 2020) (Qualifying Corporate WVR Issuers) in the same manner as current Grandfathered Greater China Issuers<sup>5</sup> for the purposes of Chapter 19C of the Main Board Listing Rules. Strong existing investor protection safeguards will apply to Qualifying Corporate WVR Issuers seeking to secondary list in Hong Kong. A summary of the way forward and safeguards is set out in the [news release](#) on the HKEX website.

The [Consultation Conclusions](#) and [respondents' submissions](#) are available on the HKEX website.

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

*[Signed]*

Bonnie Y Chan  
Head of Listing

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<sup>5</sup> The existing grandfathering arrangement allows Grandfathered Greater China Issuers (Greater China Issuers that primary listed on a Qualifying Exchange on or before 15 December 2017) that meet the eligibility and suitability requirements under Chapter 19C of the Main Board Listing Rules to secondary list in Hong Kong without having to amend their existing WVR structures (including Corporate WVR structures) to meet the Exchange's own requirements.