

July 3, 2020

VIA EMAIL

Ms. Bonnie Chan
Hong Kong Exchanges and Clearing Limited
Hong Kong

Dear Bonnie,

Corporate WVR Consultation Paper

We refer to the Consultation Paper with respect to Corporate WVR Beneficiaries published by The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) in January 2020. Unless otherwise stated, capitalized terms used herein have the same meanings as those defined in the Consultation Paper.

We welcome and support the Hong Kong Stock Exchange’s proposal to extend its current WVR regime to permit corporates to benefit from WVR, for the following reasons:

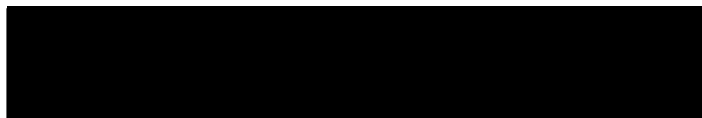
1. The WVR regime, when it was introduced in 2018, was the first step toward enhancing the competitiveness of Hong Kong as a global financial market. Since then, the Hong Kong Stock Exchange has seen the primary and secondary listings of four companies with WVR structures with total fund raising of HK\$207 billion. These companies have a combined market capitalisation of HK\$6,530 billion and average daily trading volume of HK\$12.75 billion in Hong Kong in the past three months. Because of the availability of the WVR regime for companies whose growth is driven by technology and innovation, Hong Kong has become a leading global equity market destination for high quality and high growth issuers as well as global institutional investors looking for growth.
2. We do not see any reason why the benefits of the WVR regime should not be extended to corporate shareholders. Chapter 8A of the Listing Rules requires that WVR issuers must meet the “innovative company” test, among other requirements. We believe the same logic of promoting innovation in Hong Kong under the existing WVR regime also applies to corporate shareholders as there is no reason to believe that decisions made by a corporate shareholder would be any less “innovative” than that of an individual. Therefore, the proposed reform is a natural progression from the current WVR regime.
3. We believe that the role of the stock exchange is to set out standards that can be clearly defined, such as requirements relating to accounting, connected transactions and disclosure. The governance structure of a listing applicant is a matter of opinion and taste as long as the procedures of governance are made transparent through appropriate disclosure to investors. A regulatory system that accommodates a diverse range of governance structures is a hallmark of a mature market as investors are given the opportunity to make their own investment decisions based on clear disclosure.



We welcome further discussion on the above and we appreciate the opportunity to provide our views.

Yours faithfully,

For and on behalf of
Alibaba Group Holding Limited



By:

Name: Maggie Wei WU
Title: Chief Financial Officer

Cc: Mr. Charles Li
Hong Kong Exchanges and Clearing Limited