

From: David Paterson [mailto: [REDACTED]]
Sent: Thursday, November 27, 2014 6:49 AM
To: INFO
Subject: Submission

Sir,

I am aware that David Webb is orchestrating a petition to ban split voting structures through a web site and is currently garnering votes. However his petition should be ignored as he makes no provision in his petition for alternative views.

It was a serious mistake of the HKEx to stick to a redundant rule on split voting rights.

HK which needs to retain its position as a major financial centre particularly as Hong Kong's whole raison d'être is up in the air and failed to get the most important new issue in this part of the world, Alibaba. This company with a huge market value should be listed in HK. If HK cannot get companies such as Alibaba listed on HK Ex, one has to question whether Hong Kong can be of use to international investors. If the NY Exchange can accept the split voting rights structure, HK can. US institutions will now trade in this stock through New York and Hong Kong loses out. Furthermore international investors as a result are more likely to trade other China stocks through NY rather than enquire whether they can deal through HK.

Caveat emptor is a principle – most investors are not concerned by the split voting structure and provided there is full disclosure I see no problem. HK has had a number of companies with split voting structures for many years so it is an inconsistency to insist on a ban for new issues.

Hong Kong is failing to find a serious role in this changing world and will continue to be of less importance if it is not prepared to move with the rest of the world. Innovation such as is being considered is a serious negative. This ban on split voting structure is another nail in the future of Hong Kong as a serious financial centre. I hope it will be removed.

David Paterson 

This email is from David Paterson: [REDACTED]
Please visit <http://www.patersoneducationtrust.org> and <http://www.interactyx.com>