



鷹君集團有限公司
Great Eagle
Holdings Limited

香港灣仔港灣道23號鷹君中心33樓
33rd Floor • Great Eagle Centre
23 Harbour Road • Wanchai • Hong Kong
電話 Tel • (852) 2827 3668 傳真 Fax • (852) 2827 5799

23 March 2018

BY FAX (2524 0149) AND BY POST

Corporate and Investor Communications Department
Hong Kong Exchanges and Clearing Limited
12/F, One International Finance Centre
1 Harbour View Street, Central
Hong Kong

Dear Sirs,

Re: Emerging and Innovative Companies Consultation Paper

We refer to the Consultation Paper (“Consultation Paper”) on the proposed Listing Regime for Companies from Emerging and Innovative Sectors. We very much welcome and support Exchange’s proposal to expand the listing regime to facilitate the listing of companies from emerging and innovative sectors and we wish to share our views and comments as follows:

- ***Tradition vs Innovational would be blurred with Time***

We must point out that our world and corporations’ directions are and will be continually changing, and at a very fast pace. The definition and categorization of biotech is very blurred and not really definable. Furthermore, innovation is a continually changing state, and what is tradition versus innovational would be blurred with time.

Therefore, we applaud the Exchange for taking this initiative, and for taking the first step in allowing and encouraging changes in our business world. But when formulating the WVR structure we must be prepared to allow for changing markets and changing economies. We would consider this initiative as a testing stage as we are sure things would change, and our world economies would change.

Defining what is biotech and what is innovation would also evolve very rapidly. The Exchange must remind itself that the contents and rules of this initiative will have to be revised with changing conditions and with changing market demands. However, it is important to start with some working game rules for now.

..../P.2



-2-

Excessive Restriction will defeat the purpose of the WVR Regime

The fundamental purpose of introducing the Weighted Voting Right ("WVR") structure is to enable key figures of the company to exercise control of the company despite having only a small percentage of shareholdings. It is all very well to say that in order to protect the non-WVR shareholders right, certain check and balance shall be imposed to the WVR structure. We agree with the Exchange that certain matters shall be decided on a one-share-one-vote basis. But any excessive restriction will only defeat the purpose of the WVR regime, in particular we consider it not appropriate for disallowing WVR beneficiaries to exercise WVRs on the changes to the issuer's constitutional documents and the appointment or removal of an independent non-executive director ("INEDs").

The WVR beneficiaries being people who are responsible for the continual success of the company shall be able to determine the rules governing the activities of the company, the operation of the board and the relationship between directors and shareholders. Hence, the WVR beneficiaries shall be able to exercise WVRs in respect of the changes in the governing rules as set out in the constitutional documents.

Furthermore, it is always important to have a slate of board members who share the same business vision to supervise the overall business activities. Shared vision not only inspires, but also provides clarity on direction and ongoing guidelines for decision-making. To deprive WVR beneficiaries the right to decide on INEDs' appointment and removal may have adverse impact on the effectiveness of the operation of the Board and result in distracting the WVR beneficiaries from achieving company success.

The Pre-IPO structure of biotech companies is very different from other traditional business company. The former usually have cornerstone investors as they usually require large funding to finance its initial R&D. The imposition of any rigid uniformity policy on public float requirement may have adverse impact on the incentive of the biotech companies for listing in Hong Kong. We consider that the existing practice of dealing with cornerstone investors as regard public float are sufficient to address this issue.

.../P.3

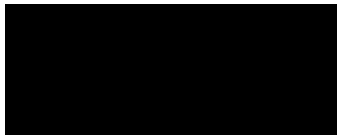


-3-

Last but not the least, the Exchange and the Securities and Futures Commission must recognize that the evolving businesses would be too complicated for them under the existing Regulator Based Regime and we hope that ultimately Hong Kong would be allowed to be developed into a full Disclosure Based Regime.

Thank you for your kind attention.

Yours faithfully,
For and on behalf of
GREAT EAGLE HOLDINGS LIMITED



Dr. K.S. Lo
Chairman