

Interview with Mr. Joseph Tse

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Q: Could you begin by sharing some information about your family background and educational experience prior to your enrolment at HKU?

JT: I was born and raised in Hong Kong, and some might describe me as a local boy made good. I received my entire education in Hong Kong, up to and including university. Throughout my schooling, I attended Catholic institutions. For primary school, I was enrolled at St. Francis of Assisi's English Primary School in Sham Shui Po. I then progressed to Wah Yan College in Kowloon, a secondary school run by the Jesuit fathers. Subsequently, I attended law school in Hong Kong, where I resided at the famous (or infamous some would say) Ricci Hall. After completing my undergraduate legal studies, I went to University of London to pursue a Master of Laws degree. Upon my return to Hong Kong, I undertook what was then called articulated clerkship—now known as traineeship—with a UK-based law firm. In the early 1990s, I migrated to Australia, as did many of my contemporaries, and joined the largest law firm there, Mallesons Stephen Jaques (now known as Mallesons).

Following my time in Australia, I returned to Hong Kong and initially joined a local law firm. In 1995, I moved to Allen & Overy (now called A&O Shearman), joining laterally as a partner. At that time, Allen & Overy was, compared with what it is today, a relatively small partnership comprising about 120-130 partners, all of whom were equity partners. It was very unusual back then for a Magic Circle firm to appoint a partner laterally, and doing so outside of London was unheard of. Thus, I hold the somewhat dubious honour of being the first ever lateral partner appointed by a Magic Circle firm outside of London and also the first HKU alumnus to attain partnership at a Magic Circle firm. One month later, I was joined by another fellow partner from the same local firm who studied and trained in London. Not surprisingly, our appointments were widely reported in the legal press. Together, we formed a two-partner team

Q: Could you share with us the factors that motivated your decision to study law?

JT: After I graduated from high school, the decision to study law was, in large part, influenced by my father. He strongly encouraged me to pursue a legal

career, although, at first, I was not entirely certain of his reasoning. Upon reflection, however, I believe I understand his motivations. I come from a large family with seven siblings, and my father was a businessman who once managed a listed company in Hong Kong. He harboured a rather common dream of many Chinese businessmen: to see his children return to the family business, each contributing in a different professional capacity.

In our family, my father would designate each of us a unique role. For instance, my eldest brother became an electronic engineer, my second eldest brother pursued architecture, my third eldest brother entered the field of accounting, and I was chosen to be the family's lawyer. My younger sister works in marketing, another sister initially studied computer science before exploring other career paths, and my youngest brother now heads the music division at Sony Music in China. In this sense, my father realised his ambition of having his children involved in diverse professions.

However, I have always considered myself somewhat a rebel within the family, as I consciously chose not to join the family business, unlike most of my siblings, who did so at some stage in their career. Both my youngest brother and I resisted this path. I vividly recall telling my father, while I was still studying law, that I believed it was unwise to expect all his children to join the family business right after their training. I even likened this approach to inbreeding, suggesting instead that it would be far more beneficial for each of us to be trained independently and, if we wished, to return to the family enterprise later once we had developed our own expertise.

This was a difficult conversation, and my father was not entirely pleased—he often considered me somewhat arrogant for holding such views. Nevertheless, I have always valued independent decision-making and was determined to choose my own career path. Despite our differences, I assured him that I would always be available to assist the family as a lawyer if ever needed, and I have honoured that promise. My father passed away twenty years ago, but I remain proud of that commitment.

Q: How would you describe your experience as an LLB student at HKU? Were there any particular courses you found interesting?

JT: Entering HKU was itself not a straightforward journey. To be honest, I initially did not fancy studying in Hong Kong in general—this was in the late 1970s—

largely because I found the academic environment excessively competitive, hence depriving many deserving students of their opportunities to pursue a university degree in one of only two universities in Hong Kong back then. So when I received an offer from HKU and an offer from the University of London, both to study law, I initially decided to accept the latter offer, purchased my plane ticket, received numerous farewell gifts from friends and family, and was preparing to leave Hong Kong.

However, during that summer of 1979, after making the initial decision to go to London, I remained genuinely torn between London and Hong Kong. On the one hand, I felt a sense of inferiority regarding my personal exposure, as all my siblings were studying abroad, some even from high school onwards, whereas I had had all my education in Hong Kong. Every summer, they would return and share their experience abroad, making me feel somewhat parochial and detached from what I considered the real world. The opportunity to study in London was thus very attractive, not only academically but also in terms of personal development.

On the other hand, I was acutely aware that, should I choose to study at HKU, my peers would be among the cream of the cream even by world standards. At the time, there was only one law school in Hong Kong, and gaining admission to it was extraordinarily competitive and only the very best students stood a chance. I knew that I thrived on intellectual challenge and valued interactions with intelligent peers—something I was confident I would find at HKU. By way of background, back in those days, the likelihood of getting admitted to Oxford or Cambridge directly from Hong Kong was virtually non-existent, even for the best students, unless one received one of those extremely rare scholarships.

Ultimately, I was left with a very difficult decision. I remember vividly, about ten days before my intended departure for London, my family went out for dinner, and I chose to stay home to reflect. That evening, for reasons I cannot fully articulate, I changed my mind and made the decision to remain in Hong Kong to study at HKU. I had to inform all those who had given me farewell gifts that I would not be leaving after all! In retrospect, I regard this as one of the best decisions I have ever made.

I am grateful to my father for his understanding during this period. Sensing my dilemma, he arranged for me to meet a friend of his who had studied law in London. This uncle, although he had never practised law in Hong Kong, gave

me an invaluable advice: he suggested that, by studying at HKU, I would develop a network of peers that would prove tremendously helpful later in my career. That advice turned out to be entirely correct. While it is not so much that my peers directly assisted me in my professional advancement, the sense of community among HKU law graduates was palpable. At that time, there were so few of us—only about fifty-five per cohort—that everyone would know students from three years above and below. Our dedicated law library on the fifth floor of Knowles Building served as a hub for this close-knit network.

Being rather active in student activities, I became the sports captain of our Law Association in my first year. Organising teams for inter-faculty sports—often recruiting players directly from the law library—helped me establish lasting friendships. In my final report to the Annual General Meeting of the Law Association, I noted that I had participated in at least ten or eleven of the thirteen inter-faculty games, not because of any particular athletic prowess on my part, but simply due to the lack of available players, particularly male players! This experience, though perhaps trivial at the time, proved invaluable for building a strong and supportive peer network.

This network became especially important in my later professional life. It was not about monetary gain or direct career advancement, but rather the comfort and support that comes from being able to call upon friends for advice, particularly when facing difficult legal questions or seeking a perspective outside one's immediate area of expertise. I am grateful for my uncle's advice to stay in Hong Kong, as the connections I built have been immensely beneficial.

Q: Are there any other memorable experiences that stand out from your time as a student?

JT: I have already mentioned my active involvement as a committed member of the Law Association committee, which, even today, remains a classic example of enduring camaraderie. Remarkably, after more than forty years since graduation, our committee members still maintain a chat group, and we remain quite close. For instance, we had planned a gathering last Saturday, which was cancelled only at the last minute due to the organiser's wife falling ill. The relationships formed during those years have truly stood the test of time. Our committee meetings would often stretch into the early hours of the morning, something we still joke about today. These meetings were lengthy, involving discussions on a wide range of issues, and while the commitment was

demanding, the experience proved to be both memorable and invaluable.

Q: Earlier, you mentioned choosing to attend HKU in order to seek intellectual challenge. Could you elaborate on this decision?

JT: Indeed, that was a significant factor for me. Upon entering HKU, I found the standard of the courses and lectures very high. The relatively small class size allowed for an intimate academic environment, and the faculty was both highly capable and dedicated. In retrospect, I firmly believe we received an outstanding legal training. Later in my career, during my postgraduate studies and while working at major international law firms, I found that the intellectual calibre and legal knowledge I gained at HKU was no less than that of top lawyers from elsewhere.

For example, while at Allen & Overy, I had the opportunity to work with a pre-eminent restructuring partner who was a former Oxford don., He would often seek my input on complex legal matters. Our intellectual exchange was rigorous and comprehensive, and I credit my ability to engage in such discussions to the training I received at HKU. One notable instance was our collaboration on the Guangdong Enterprises restructuring, which involved over 170 bank creditors, not to mention numerous bondholders whose identities were sometimes unknown. This was the most complex and successful debt restructuring in Asia at the time, and we acted for the Steering Committee of the creditors' group.

Q: You did PCLL before you did your LLM at University of London. How was the PCLL experience like back in those days?

JT: After three years of studying the LLB, I found the PCLL relatively straightforward—at least in my experience. The PCLL was more practice-oriented and required a slightly different set of skills compared to the more academic LLB. I felt quite comfortable with the demands, not only in academic discussions but also in practical tasks such as drafting, negotiations, and mooting. While intellectually less challenging than the LLB, the PCLL provided valuable practical training.

Q: Who was your favourite teacher in the LLB and PCLL programmes?

JT: That would be Robert Allcock, who taught personal property. He was an exceptionally organised and effective teacher, providing very clear lectures and

tutorials that encouraged us to think through complex issues methodically. His approach to legal analysis—breaking problems into layers and considering alternative perspectives—has had a lasting impact on me, shaping the way I approach not only legal problems but challenges in general. Bob was deeply dedicated and inspired us to think critically rather than simply absorb information. I have always believed that the role of university faculty is not merely to teach, but to inspire students to think independently and explore new perspectives. Bob embodied this ideal.

This kind of inspiration and training proved invaluable throughout my career. To illustrate, I recall a situation during a debt restructuring matter where my associate, also a HKU law graduate, observed a particularly in-depth legal discussion I had with the opposing counsel. After the meeting, he remarked on how eye-opening the exchange was, and I explained that the opposing lawyer was in fact my classmate in my study group at HKU! The style of rigorous, analytical discussion was simply a continuation of what we used to have as students. My associate, who was perhaps twelve to fifteen years my junior, commented that graduates from my era seemed to have received a different, perhaps more robust, kind of training. I believe this anecdote vividly demonstrates the exceptional quality of legal education at HKU during my time.

Q: At what point did you decide to pursue a career as a solicitor rather than as a barrister, and what influenced this choice?

JT: That is yet another story. As one might expect, my father always envisioned me becoming a solicitor, primarily so that I could assist with the family business. Nevertheless, I did seriously consider the possibility of becoming a barrister early in my studies. During my first year's summer vacation, I interned with Warren Chan, SC, who shared many stories with me from his own experience. However, I also interned at law firms such as Woo Kwan Lee & Lo, and Slaughter and May, which afforded me a comprehensive exposure to the different career paths available within the legal profession.

I was genuinely drawn to the intellectual challenges inherent in the work of a barrister, but I was less enthusiastic about the limited international opportunities available to barristers at that time, particularly since international arbitration had yet to become widespread at the time. Being a barrister then essentially confined one to advocacy within Hong Kong, a prospect that did not appeal to me. Perhaps due to a lingering sense of inadequacy stemming from my

upbringing, I was eager to gain broader international exposure—something my siblings had enjoyed and which I deeply desired for myself.

This inclination ultimately shaped my career. I chose to join a London-based firm (or a “City firm” as it was then called), as the concept of an ‘international firm’ was not yet prevalent in those days. My aspiration for international experience led me to specialise in international finance, particularly in shipping and aircraft finance initially, which afforded me opportunities to travel and work across various jurisdictions—an aspect of my career I thoroughly enjoyed.

Q: Upon returning from London, what was your experience with your initial job search? Did you return directly to Hong Kong to seek employment?

JT: I did initially seek employment in London. The London firm I joined (which subsequently merged with another London firm) also had an office in Hong Kong. Consequently, they arranged for me to be trained in Hong Kong, after which, following my qualification, I was transferred to London.

Q: Did you pursue your LLM in International Financial Law?

JT: Yes. London University has this intercollegiate system. I enrolled at University College London, though my coursework was split between UCL and the London School of Economics. I took International Business Transactions—a comparative commercial law course examining the legal frameworks of the EU, UK, and US—and Intellectual Property at LSE, along with two maritime law subjects (Carriage of Goods by Sea and Maritime Law) taught by distinguished professors at UCL.

Q: Which law firm did you initially join after your studies?

JT: My first firm was Sinclair Roche & Temperley, which merged with Stephenson Harwood some year later.

Q: After completing the two-year articulated clerkship, did you move to another law firm?

JT: No, I remained at Sinclair Roche & Temperley. There are, in fact, many stories from that period. Around 1988, two to three years after qualifying, Hong

Kong had already seen the announcement of the Joint Declaration, signalling its return to China. This triggered a significant wave of migration among professionals in Hong Kong, particularly those in such industries as IT, banking, and accounting.

My wife, who was an IT specialist—or what would now be called a data scientist—had also applied to migrate to Australia. At that time, I assumed that, as a lawyer, my prospects for emigration were limited, since Western countries were already saturated with legal professionals. I was mentally prepared for the possibility of taking up any work, even as a waiter, should we emigrate.

However, I was not content to settle for such a fate. At the time, Baker & McKenzie was the only firm offering the opportunity to work as a lawyer in Australia, thanks to their associate training program which facilitated overseas secondments. Coincidentally, I knew a newly promoted partner at Baker & McKenzie who was seeking associates for her team in the property department. I explained that my interest in joining was contingent on the possibility of migrating to Australia, to which she responded with great effort and support, placing me in the associate training program after a rigorous interview process.

Before I could join Baker & McKenzie, my current boss informed me of an opportunity with Mallesons Stephen Jaques, Australia's largest law firm, which had secured a quota from Australian immigration authorities to recruit overseas legal talents with the promise of Australian citizenship. Their first recruitment stop was Hong Kong, and I became their first hire under the employer nomination scheme. After receiving an offer from Mallesons, I found myself in a predicament, having already accepted an offer from Baker & McKenzie. Ultimately, since my true interest lay in international finance rather than property, and given Mallesons's pre-eminence in finance practice, I decided to follow my passion, though I regret disappointing my friend at Baker & McKenzie to whom I owe a moral debt. I moved to Australia on 2 January 1990.

Q: Could you share with us more about the process of your transition to Australia at that time?

JT: I consider myself extremely fortunate. Upon joining Mallesons, I was told by others that Australian work culture was much more relaxed, with staff leaving promptly at five o'clock. Contrary to those expectations, I found myself working my first all-nighter during my second week, as I was assigned to a highly

complex and urgent tax-based financing deal—something I had not encountered in Hong Kong. I had to quickly familiarise myself with the matter, which had already been in progress for nine months, to ensure its timely completion.

The time difference between Hong Kong and Australia was minimal, so adjustment was not difficult. In some ways, the demanding hours reminded me of my days as a Law Association committee member at HKU, where meetings often stretched until 3 or 4 a.m.

However, the economic climate soon changed. Nine months after I had joined Mallesons, a severe recession hit Australia, resulting in significant layoffs across the firm. Many of my peers, including some who had arrived from Hong Kong, lost their positions. I was fortunate to retain mine—perhaps due to my relative junior status and lower cost to the firm. I had settled in Sydney, purchased property, and my daughter was born in Australia, indicating my intention to establish roots there. Yet, as fate would have it, an opportunity eventually arose for me to return to Hong Kong.

Q: What was the opportunity that drew you back?

JT: In retrospect, Mallesons might well have regretted their decision to send me back to Hong Kong to attend a seminar they were sponsoring in conjunction with the Australian Chamber of Commerce. The rationale, of course, was that I was originally from Hong Kong and was serving a number of Chinese clients. The seminar's theme was China, and I remember it vividly—it was April 1992, a truly interesting time in Chinese history.

To provide some context, after the events of 4 June 1989 at the Tiananmen Square, virtually all foreign investments withdrew from China. The country suffered significantly in the following years, as it was, at the time, heavily dependent on foreign investments. I was fortunate enough to have secured my position with Mallesons in December 1988 but had agreed to a deal with my boss at my old firm that I would work for another year before leaving for Mallesons. So, when I was sent to the seminar in 1992, it was rather serendipitous; I had not requested to return, but the firm thought I might benefit from, and perhaps contribute to, the seminar given my Hong Kong and Chinese background.

The keynote speaker at the seminar was Gordon Wu, chairman and CEO of Hopewell Holdings, the company behind the round, iconic building in Wan Chai. Wu is renowned for his visionary infrastructure projects, most notably the superhighway connecting Hong Kong, Guangdong, and Zhuhai. He shared his experience of championing this project since the early 1980s, when China's infrastructure was almost non-existent—there were no reliable roads, ports, or power stations. He recounted how, over more than a decade, he had struggled to obtain the 36 official stamps of approval required to begin construction. Remarkably, following Deng Xiaoping's historic visit to Shenzhen in January 1992—a visit now immortalised by the statue at the peak of the Lotus Hill Park—Wu received all the remaining approvals within three months. Deng's visit catalysed not only the development of Shenzhen as a special economic zone but also ignited a renewed wave of optimism and reform across Guangdong and, by extension, China.

As a young lawyer sitting in that seminar, I was struck by the magnitude of what was unfolding. After years of being shunned by the West, China was on the cusp of a dramatic resurgence. Perhaps I inherited my father's business acumen, but I could almost smell the opportunity in the air.

Coincidentally, around this time, a close friend and former senior from both my high school and law school days approached me about joining his firm (of which he was a senior partner) to establish a high-end corporate practice in Hong Kong. Though my background was in banking and finance, not corporate law, the prospect was compelling, not least because he had already recruited another Clifford Chance alum whom I also knew well—he would later join Allen & Overy together with me. Although I interviewed with other leading firms such as Herbert Smith and Slaughter and May, my heart was set on building something unique on a local platform.

I was very tempted to return to Hong Kong towards the end of that trip. Before making the move, I returned to Sydney to discuss the matter with my wife, who was late into her pregnancy at the time. Incredibly, despite the challenges of relocating with a newborn and having just settled into our new life in Australia, she was unwaveringly supportive of my decision. So, two months after my daughter's birth, in August 1992, my entire family relocated back to Hong Kong.

For the next two years, I worked in that firm, having shifted entirely to corporate law. At the time, it was virtually impossible to build an international banking and

finance practice in a local firm—such work required an international platform. However, there were emerging opportunities in corporate practice, particularly with the anticipated wave of Chinese companies seeking exchange listings in Hong Kong. In fact, we were shortlisted to the final two firms for Tsingtao Brewery's IPO, the very first such H-share listing, but ultimately lost out to Baker McKenzie due to their international brand. This experience taught me that if I wanted to operate at the highest level, I would need a bigger platform—hence my subsequent move, at my own instigation, to Allen & Overy.

Q: What motivated Allen & Overy to pursue you and your partner so actively?

JT: In fact, the pursuit was more on my part than theirs. Unusually, I approached a head-hunter to reach out to Allen & Overy on our behalf, after conducting a careful analysis of the leading international firms. At that time, there were few US firms with a significant presence in Hong Kong. Among the Magic Circle firms, only Freshfields had a Chinese partner who had just been promoted. The other Magic Circle firms had no Chinese partners, and Allen & Overy, being the last to establish a Hong Kong office in 1988, had no senior Chinese lawyers at all. This created a unique opportunity to build a practice from the ground up.

There's a bit of legal industry trivia here as well. Slaughter and May was the first Magic Circle firm to set up in Hong Kong in 1974, the same year as Baker McKenzie. Coward Chance (which subsequently merged with Clifford Turner to become Clifford Chance) followed later. Linklaters had an association with Deacons, but this was terminated following the Carrian Group's scandal (on which the film "The Goldfinger" was based). Freshfields, meanwhile, was the only foreign firm licensed in Singapore until a mis-step in internal communications led to the revocation of their licence, prompting their move to Hong Kong. Allen & Overy was the last of the Magic Circle firm to enter the Hong Kong market in 1988.

So, I joined Allen & Overy in 1995 as a directly admitted partner, alongside my colleague, though I was the first to sign up. The office then was a modest operation, with fewer than 30 lawyers occupying just a quarter of a floor in Three Exchange Square. The firm has since grown, occupying four floors in the same building at its peak.

Q: Are there any particularly memorable events from your legal career

that stand out to you?

JT: There are almost too many to recount. One story I often share is how Allen & Overy, now recognised as a market leader in banking and finance in Hong Kong, started from very humble beginnings. When I joined, both my partner and I were engaged primarily in IPOs and M&A work. A year later, to their credit, the firm recognised the need to develop a senior Chinese-led banking and finance practice and asked me to transition into that area. I was initially hesitant, as my corporate practice was thriving and IPOs were booming at the time. But upon reflection, I think my father's entrepreneurial spirit influenced me—I have always enjoyed the challenge of building something from scratch.

When I did my due diligence, I discovered, to my surprise, that Allen & Overy's banking practice in Hong Kong then had only one regular banking client outside of project finance. In project finance, the firm was pretty well known, largely because it had landed the provisional airport authority mandate, a major job at the time, but this was mainly because the more established firms were conflicted out due to their relationships with the major conglomerates involved. Outside project finance, the firm was unknown in the Hong Kong banking and finance community. I recall introducing myself to bankers who had never even heard of Allen & Overy.

From these modest beginnings, I managed to build the practice into what it is today. Only recently, a former trainee of mine—now a partner at another leading firm—sent me the latest rankings for banking and finance lawyers in Hong Kong. Of the thirteen lawyers ranked in Bands 1, 2, and 3, eight are Allen & Overy alumni and seven had trained directly under me. I take great pride in this legacy; it serves as a testament to the opportunities I sensed and seized when China began reopening to the world.

Q: Did you engage in a significant amount of China-related work?

JT: Yes, absolutely. That was, in fact, the primary reason why Allen & Overy required my expertise. If the only requirement were proficiency in English, they could easily have seconded someone from London. What they truly needed was someone who, although not from mainland China, possessed a deep understanding of China, spoke the language, and could read and write Mandarin. Many people have wondered about the origins of my Mandarin skills, as very few individuals from my generation of Hong Kong Chinese speak fluent

Mandarin. While I would not claim to be exceptional, my proficiency is more than adequate.

This is largely attributable to my father, who insisted that my brother and I learn Mandarin while we were in primary school. His motivation was not prescient foresight about China's future opening, but rather practicality: he was in the shoe manufacturing business, operating factories in both Hong Kong and Taiwan, and thus needed to communicate in Mandarin during his frequent travels. During summer vacations, he would make us attend Mandarin lessons. I remember on the first day, I was puzzled as to why he had enrolled us in an evening class, only to discover that all the other students were adults learning Mandarin for work reasons. My brother and I, then around seven or eight, were the only children in the class!

This early exposure was invaluable, as language acquisition is much easier for children. My father would also play vinyl records of Mandarin songs at home daily. We absorbed the sounds and pronunciations by osmosis, even if our tones were imperfect. This grounding in Mandarin proved immensely helpful later on in my career.

After I first started my legal career, I was already involved in China-related work. My first business trip to Beijing occurred in December 1986, just as I was about to qualify. Beijing at that time was a stark contrast to the city today: the air was chokingly smogged, the sky and buildings all muted, and everyone wore monotone clothing—grey, blue, and black—especially in winter. Pollution was severe due to widespread coal burning for heat, and I recall taking a short walk along Chang'an Avenue in light snow, then returning to the hotel and sneezing out soot particles.

In the 1990s, Allen & Overy frequently sent me to mainland China, as developing our China practice was a core mandate. I recall securing our first mandate for China Construction Bank in Beijing, where I negotiated against an Israeli banker whose style was so aggressive—literally banging on the table—that it reminded me of Benjamin Netanyahu. Despite this, I managed to win the trust of China Construction Bank by closing the deal amicably. That transaction involved export credit financing and was just one of many diverse and challenging assignments I handled in China.

Q: Turning to your China practice, are there any projects that you

consider to be the most memorable or personally significant?

JT: That is a question I have often been asked. Among many memorable deals, one stands out: the first-ever acquisition of a foreign company by a Chinese state-owned enterprise using a debt acquisition strategy. I led the transaction in 2010, acting for an SOE owned by a municipal government in Shandong, as they sought to acquire the largest chemicals company in Hungary which was in financial distress.

The client initially approached the major shareholder—at the time, the largest private equity fund in Europe—about a straightforward acquisition, but were cold-shouldered. The major shareholder appeared dismissive, likely doubting the Chinese client's experience in managing foreign companies, especially given their lack of a track record outside Asia. Frustrated, my clients consulted me for advice.

Upon analysing the company's debt structure, I saw that the private equity owners had acquired the target company through a leveraged buyout, financing the acquisition with significant debts and subsequently pushing those debts down onto the target company (a common trick used by private equity firms in a leveraged buyout). The debt capital structure comprised both senior and mezzanine debts. I carefully reviewed the inter-creditor agreement and Hungary's new and old bankruptcy laws to assess the possible scenarios.

My first recommendation was to secure a seat at the negotiation table by acquiring portions of the target company's debts, either at the senior or mezzanine level. The mezzanine debt was much cheaper due to its junior status in bankruptcy, but riskier as it might be worthless if negotiations failed. The senior debt was safer but required a larger investment.

I also advised my clients not to purchase the debts themselves, as Chinese acquirers often faced a 'Chinese premium' in overseas M&A—a premium reflecting the perceived risk of regulatory approvals from China or, in some cases, from the target country, such as the CFIUS clearance in the US. Instead, I recommended that they engage investment banks which could acquire the debts through their secondary trading desks without revealing the ultimate buyer. We appointed a few major investment banks for this purpose, but for the first two months, we were unable to buy even a single cent of the debts as creditors were still optimistic about a restructuring or buyout.

Then, one day in August, while I was in Beijing, my client called to let me know they had managed to purchase over half the mezzanine debt and some senior debt in a single day. By then, creditors had lost hope of a successful restructuring and were ready to sell their loans at a loss. This acquisition gave us a blocking vote in any proposed debt restructuring, as confirmed by our analysis of the inter-creditor agreement. I advised my client to inform the major shareholder that they could veto any proposed debt restructuring, which forced the major shareholder to negotiate as they would get nothing if the target company were liquidated. Thus began 18 months of tough, highly complex negotiations.

This deal was pioneering as it was one of the earliest outbound investments by a Chinese company in Europe and the first one to effect an acquisition using a debt acquisition strategy. The chairman of the SOE was later invited by the State Council to speak about the deal—though, amusingly, he had little direct involvement in the negotiations as he did not speak a word of English. At the conclusion of the transaction, even the financial advisors involved acknowledged that the deal would not have been possible without Allen & Overy's assistance. The transaction won numerous awards for its innovative structure, particularly the use of multiple call options to secure eventual control of the target company.

Q: What prompted your decision to resign from Allen & Overy in 2015 and establish your own company, XYD? What was the story behind that transition?

JT: I was exceptionally happy at Allen & Overy, where I served as senior partner for Greater China for seven years. However, I had long harboured a desire to do something different after my legal career, and I announced my intention to retire to my partners and associates as early as the late 2000s, to allow for proper succession planning.

However, my original plan was delayed. My fellow partner, who had joined Allen & Overy with me, left for a US firm, taking with him several other partners in what became a widely publicised departure. As a result, I stayed on a few extra years at the request of the firm's Asia management, being the most senior Chinese partner remaining in the firm.

Allen & Overy provided me with everything—reputation, financial rewards, and invaluable management experience. I was deeply loyal, even extending my retirement by two months to complete a major transaction, for which I did not request compensation.

Yet, I yearned to create something more permanent than an equity interest in a global law firm. Upon leaving, I did not receive any goodwill payment for the business I built; I simply passed everything on to my junior partners, which I considered fair as I did not pay any premium to join the partnership in the first place. But beyond savings and investments, I sought to establish something more tangible and lasting.

Perhaps, as I mentioned before, I inherited my entrepreneurial spirit from my father. During my twenty years at Allen & Overy, I was the only partner to have been involved with three different departments—corporate, banking, and international capital markets—sometimes simultaneously. This breadth of experience was rare in large firms.

My decision was also inspired by a young entrepreneur I met, who had founded a highly successful fintech company in the US specializing in small loans. Throughout my legal career, I have advised on large transactions for major banks and companies, but I was always intrigued by the challenge of providing financing to small businesses—a universal problem yet unsolved. I saw technology as the key to overcoming this barrier. After meeting this entrepreneur and learning about his technology, I resolved to establish something similar in China.

I set up my company in Chongqing, since at that time it was the only province or municipality in China authorised to issue a national micro-lending licence. Everywhere else, such licences were strictly local.

Q: Can you tell us a bit more about how your company works?

JT: Currently, my fintech company in Chongqing employs around 250 people. We are fundamentally a technology-driven platform, leveraging artificial intelligence, blockchain, big data, cloud computing, and a suite of other advanced technologies. This technological backbone is essential because our business model is premised on handling a high volume of small-value loans simultaneously. Unlike large banks that issue billion-dollar loans to major

corporates—loans which may remain outstanding for several years—our loans are small, short-term facilities. The majority of our clients, typically small and micro-sized businesses, use these loans for only a few months, primarily to bridge liquidity gaps rather than for long-term investments.

Due to the large volume and micro size of these transactions, it would be neither cost-effective nor efficient to process them manually. Automation is thus critical. Moreover, the profit margins on small loans are inherently limited; if I were to rely on human processing, the business would not be sustainable. Our clients generally do not use these loans to fund long-term operations, as the interest rates—sometimes 18% to 24% APR—would be prohibitive over extended periods. Instead, they use our credit facilities to bridge short-term financing needs, such as inventory turnover. For example, if a business can turn over its inventory within three months and generate a 30% gross margin, then a 6% effective interest cost for the period becomes acceptable. This is why, despite the seemingly high annualised rates, the products make sound business sense for our clients in the right context.

I often receive questions from friends who are concerned about the high interest rates, but I always clarify that these are not mortgages or long-term loans. If a small business can use the capital to generate greater returns in the short term, the cost is justified and manageable.

Q: What is your current vision for the company?

JT: Our vision is clearly articulated on our company website: we aspire to build a responsible fintech platform. 'Responsible' here refers to several dimensions—most importantly, a robust compliance culture and a client-centric approach. Our mission is to serve those who have a legitimate need for financing but are underserved or excluded by traditional banking channels. Not everyone deserves financing, but many small businesses and individuals do, and it is these deserving clients whom we aim to support.

This approach is aligned with the United Nations' concept of inclusive finance. Our platform exists to bridge the gap for clients who cannot access timely or adequate financing from banks. As a platform, we also strive to connect those with surplus funds—primarily banks, which are under regulatory pressure to support the small business sector—with those in need of funding. While we are well-capitalised, with \$300 million USD of equity from just two shareholders (the

majority from one of the wealthiest families in Hong Kong), we do not take deposits. Consequently, our lending licence functions as an incubator: we develop and rigorously test products and risk management measures using our own capital before scaling up and partnering with banks to provide broader access.

Given the current economic climate and regulatory pressures—particularly the central government's emphasis on supporting small businesses—banks are increasingly incentivised to lend to this sector. However, many lack the expertise or operational infrastructure to do so efficiently. This is where our platform adds value: we deliver both the technology and the assets, enabling banks to deploy their funds effectively while we handle the product development, risk management, and client acquisition. It is a symbiotic model that responds both to market needs and regulatory imperatives.

Q: Finally, what advice would you offer to current HKU law students regarding their studies or future careers?

JT: My advice to current law students, especially at HKU, is shaped by both the evolving student demographic and the broader global context. Today's law school cohort is far more international than in my time, which I view as a tremendous opportunity. I strongly encourage local students, especially those who have never studied abroad, to take full advantage of this diversity. Engage with peers from different backgrounds, participate in exchange programmes, and consider residence in university halls to broaden your cultural and intellectual horizons.

Hong Kong's historical and ongoing value lies in its role as an intermediary—a bridge between China and the rest of the world. This unique position requires not only language proficiency but also a nuanced understanding of different business cultures. In my own career, my ability to connect with both Chinese clients and their international counterparts (and vice versa) was often the deciding factor in securing mandates and resolving complex transactions. For those who wish to work in Hong Kong or for international firms, this ability to bridge cultural and business divides is a critical asset.

Another piece of practical advice is to deepen your understanding of China—not just linguistically, but also in terms of legal, economic, and socio-political context. Many students today are fluent in English but struggle with written

Chinese. I urge them to improve their Chinese language skills and to stay informed about the developments in China and globally.

Finally, cultivate a habit of reading quality news daily, particularly financial news, and develop the discipline to think critically about how world events might impact your future clients, employers, and the legal market as a whole. Business acumen is not something that can be taught overnight; it is built gradually through continual learning and exposure. Skim the headlines, read insightful editorials, and absorb commentaries that offer different perspectives. Over time, this will accumulate into a valuable store of knowledge and judgment, which will serve you well in interviews and throughout your career.

If I were to summarise, I would emphasise two key points: develop an international outlook and mindset, and build a strong, practical understanding of both China and the broader world. These, I believe, are essential for any law student aspiring to succeed in Hong Kong's unique legal and business environment.