

12th September 2016

BY HAND

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

Dear Sirs,

Re: Consultation paper on Proposed Enhancements to the Exchange's Decision-Making and Governance Structures for Listing Regulation

We refer to the Joint Consultation Paper on the Proposed Enhancements to the Stock Exchange of Hong Kong Limited's decision-making and Governance Structure for Listing Regulation issued in June 2016 (the "Proposed Enhancements").

We **oppose** the Proposal Enhancements based on the following reasons:-

1. The creation of the two new committees, Listing Policy Committee ("LPC") and Listing Regulatory Committee ("LRC"), are above the Listing Committee ("LC"). The LPC and LRC will make final decisions and LC's input will be limited as their views and suggestions are non-binding. This will give SFC a complete control over the regulatory and listing matters as the members of LPC and LRC are dominated by SFC. SFC is regulator-minded and tends to be risk-averse, it will raise the threshold to listing and less listings will be attracted to Hong Kong which ultimately affects the market development in Hong Kong.
2. Moreover, limiting the role of LC in regulatory and listing matters will be detrimental to the overall market development because the members of LC have diverse expertise and experience (i.e. from a diverse background) that are substantially different from a regulator (i.e. SFC)'s perspective. All the time, the market perspective should be complementary to the regulatory perspective so as to have a balanced market development.
3. The Proposed Enhancements destroys the existing three-tier (Government, SFC and Listing Committee) regulatory structure. As stated above, the Proposed Enhancements will give SFC a dominant control over the regulatory and listing matters without proper checks and balance and may ultimately affect the Hong Kong's position as an international financial centre.

Yours faithfully,

For and on behalf of
Success Securities Limited

Authorized Signatory

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