

[REDACTED]

Our Ref [REDACTED]

14 October 2016

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

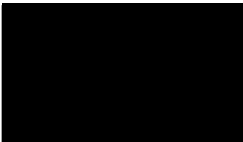
Dear Sirs

Consultation Paper on Proposed Enhancements to
the Exchange's Decision-Making and Governance Structure for Listing
Regulation

[REDACTED]
[REDACTED] disagree to the proposed changes in the joint
consultation paper by the Securities and Futures Commission (SFC) and Hong
Kong Exchanges and Clearing Limited (HKEX) on Proposed Enhancements to
The Stock Exchange of Hong Kong Limited's Decision-making and Governance
Structure for Listing Regulation ("Consultation Paper").

First, the new set up of two committees, namely the Listing Policy Committee
and the Listing Regulatory Committee, would make the existing structure
cumbersome. The limited numbers of representatives of the two new
committees (that are 3 to 4 members from each of HKEX and SFC) would
inevitably slow down the review and approval process of IPO applications.
It would in turn reduce the competitive power of the Hong Kong as a leading
international financial centre. On the other hand, the existing Listing
Committee, which comprises a larger group of market participants and
professionals with broader knowledge and experience, would be more capable
of handling more complicated issues in the challenging business world under
the regime of the listing rules and policies. The role of the Listing
Committee should not be minimized under the new structure.

Second, the new Listing Policy Committee, which is likely to be dominated
by SFC, will take over the role of initiating and deciding listing policy
proposals and proposed listing rules amendments. SFC will have overall
control over the Listing Rules regime. SFC would determine the policies
in interests of investors which may not be ideal for the overall market
development in the over-regulated environment. Proper
checks-and-balances built-in in the existing structure would be distorted
under the proposal.

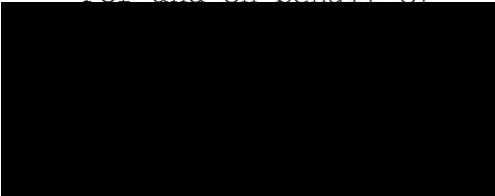


We appreciate the efforts in regularly reviewing the existing structure with the aim of enhancing the efficiency and effectiveness. However, the proposed set up of two new committees would not serve the purpose of the proposal. We believe that the stated objectives of the proposal would be achieved under the existing structure by:

- a. enhancing better communication and working relationship between HKEX and SFC;
- b. further enhancing the function of the Listing Committee with more resources being put to cope with the increasing and ever-changing market needs. Diverse market expertise and experience as well as the in-depth knowledge of the Listing Committee are valuable and complementary to the regulatory role of SFC under the existing structure, and so should be leveraged in the best interest of Hong Kong as a leading international financial centre;
- c. providing more good education to the investors by SFC so as to enable the investors to make wise investment decisions in disclosure-based regime;
- d. to better protect investors, taking more active measures and enforcement actions by SFC to prevent market misconducts.

In view of the above, we do not support the proposals outlined in the Consultation Paper. Please withhold our names from publication by the SFC and HKEX.

Yours faithfully
For and on behalf of



Company Secretary

For and on behalf of



Company Secretary

