13th September 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

By Email and By hand

Dear Sirs,

RE: CONSULTATION PAPER ON PROPOSED ENHANCEMENT TO THE STOCK EXCHANGE OF HONG KONG LIMITED ("HKEX")'S DECISIONS-MAKING AND GOVERNANCE STRUCTURE FOR LISTING REGULATION ("PROPOSAL")

We, Asia Standard International Group Limited, a company listed on HKEX (Stock Code: 129) wish to object strongly to the Proposal as follow: -

THE PROPOSAL DESTROYS THE WELL RESPECTED REGULATORY SYSTEM

Under the existing regulatory structure, HKEX through Listing Committee handled IPO approvals and listing rules formulation and amendments whereas SFC has veto powers and rule-change powers. This system is a very unique, very structurally Hong Kong phenomena that has served the financial market extremely well since 1988. However, the new structure under the Proposal will destroy the existing well respected regulatory structure by giving excessive authority to SFC and side-stepping HKEX's important functions.

THE PROPOSED STRUCTURES FAILS TO ACHIEVE ITS STATED OBJECTIVES

The consultation paper stated that the Proposal's objectives is to achieve closer coordination and cooperation between the SFC and the Exchange on policy formulation and to provide the SFC with earlier and more direct input on listing policy matters and listing regulation, and to streamline the processes for making important or difficult listing decisions. At the moment, there are various channels and mechanisms under the current regulatory system for achieving these objectives, such as the Securities and Futures (Stock

Market Listing) Rules; rule 2.04 of the Listing Rules; the Memorandum of Understanding Governing Listing Matter, and the Listing Matters Liaison Meetings. In view that the SFC is always being kept fully informed of any listing application, can intervene at an early stage, and has oversight and control of the formulation and administration of the Listing Rules and listing policies under the current arrangements, there is no need to introduce the proposed structures.

CREATION OF LISTING POLICY COMMITTEE (LPC) AND LISTING REGULATORY COMMITTEE (LRC) GIVING SFC DOMINANT CONTROL OVER IPO APPROVAL AND POLICY SETTING

The major reform under the Proposals is to create two new committees above the Listing Committee: the Listing Policy Committee ("LPC") and Listing Regulatory Committee ("LRC"). Both committees will be dominated by SFC through its control of the appointees of the committees.

The proposed LRC will oversee, give guidance and decide matters that involve the suitability for listing of a new applicant and its business. Despite that the Listing Committee members possess diverse expertise, experience and market perspectives which can complement the regulator's perspective, their views on the IPO cases addressed to LRC is limited and non-binding. In the circumstance, the role of Listing Committee will be minimized and will resort to a marginal position of administering over only common routine IPO and Post IPO matters.

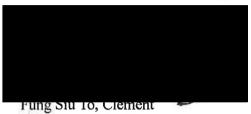
Given that this new LPC will also initiate, steer and decide listing policy proposal and proposed Listing Rule Amendment and has overall control over the Listing Rule regime affecting all listing companies, it offers SFC both front- and back-line regulatory authority. In the circumstance, the traditional HKEX functions are being taken over and the carefully constructed system of checks and balances is negated.

THE PROPOSAL FAILS TO TACKLE THE CURRENT MARKET PROBLEM

Although it is suggested that the aim of Proposal is to crackdown widespread reverse takeover and suspected manufacturing of shell companies, such matter can be handled by the existing system through policing, monitoring and punishing the wrongdoer. There is no need to change the fundamental policy and regulatory structure.

In the circumstance, we hereby submit our objection to the Proposal for your attention.

Yours faithfully, For and on behalf of Asia Standard International Group Limited



Chairman