



# 華人置業集團

CHINESE ESTATES HOLDINGS LIMITED

Date: 6th October, 2016

**BY FAX & BY HAND**

Fax No.: 2524 0149

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 Sir,

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

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We refer to the joint consultation paper issued by The Securities and Futures Commission ("SFC") and Hong Kong Exchanges and Clearing Limited regarding the proposed enhancements to The Stock Exchange of Hong Kong Limited's (the "Exchange") decision-making and governance structure for listing regulation on 17 June 2016 (the "Proposal").

We would set out our grave concern below in relation to the implementation of the Proposal:-

1. The Proposal will destroy the existing 3-tier regulatory system

Under the existing regime, the listing division of the Exchange is responsible for vetting the applications for IPO and giving preliminary view on such application and then submit the same to the listing committee of the Exchange ("LC") (which comprised of market participants and professionals) for approval and the SFC reserves the veto power to reject such application and also to reject listing rules formulated by LC.

The Proposal gives SFC the front-and back-line regulatory authority without proper check-and-balance.

2. SFC will have absolute power in both IPO approval and policy setting

According to the Proposal, two new committees i.e. Listing Regulatory Committee ("LRC") and Listing Policy Committee ("LPC") will be formed. LRC will make listing decisions on applications for initial public offerings while LPC will formulate listing policies and listing rules. Both committees will be dominated by SFC through control of their memberships.

LC will be sidelined to preside over routine IPO matters and LC's views are non-binding.

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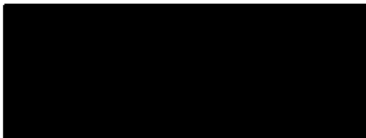
華人置業集團  
CHINESE ESTATES HOLDINGS LIMITED  
(Incorporated in Bermuda with Limited Liability)

3. Slowing down market development

The Proposal will concentrate power in a few hands under control of SFC which is regulator-minded and will move Hong Kong towards the merits-based regime from the disclosure-based regime, which is not in line with the trend in the financial world and would be detrimental to Hong Kong's position as an international financial center.

Therefore, we strongly request not to implement the Proposal.

Yours faithfully,  
For and on behalf of  
Chinese Estates Holdings Limited



Lam, Kwong-wai  
Executive Director and Company Secretary

BW/vm