

BY FAX (NO.: 2524 0149) AND BY HAND

16 November 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,

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

I refer to the Joint Consultation Paper on Proposed Enhancements to the Exchange's Decision-Making and Governance Structure for Listing Regulation and would like to express my opposition to the reform proposals.

1. Proposed structure makes the listing approvals more complicated

Currently, the HKEX's in-house listing division staff give preliminary approval to a listing and then submit it to the listing committee which comprises of 28 members including professionals and market practitioners of a diverse background like accountants, lawyers, listed companies executives and fund managers for final approval. The SFC has regulatory and veto power to reject any application or listing policies.

Under the new proposed structure, two new committees, listing policy committee and listing regulatory committee, would be set up with equal representation from the SFC and HKEX to develop and regulate Hong Kong's listing approval and listing policies. I consider the proposed reform will create more duplication and overlapping in listing approval and the listing policy process which may damage Hong Kong as an international financial market.

2. The reform will give SFC too much power without checks and balances

To foster the growth of Hong Kong's capital market, it is of my view that market operators and regulators should perform their respective roles separately and efficiently. In other words, the SFC should focus on regulatory work and the HKEX on market development.

Under the reforms, the listing committee's powers will be much reduced to presiding over common routine IPO and post IPO matters while all suitability queries, listing department governance and appraisal and policies matters will be given to the two new committees. Although the listing committee can give its views on the matters considered by the new committees, their views are non-binding.

The proposed structure, which is not a balance structure, seems grant the SFC greater control in the listing policies setting process and the listing approval process without checks and balances while the listing committee's role will be limited and the voice from different market practitioners cannot be well expressed.

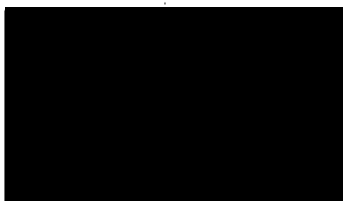
3. Market development will be slowed down

As mentioned before, the proposed structure will concentrate power to SFC which is regulator-minded. It would put more focus on regulation and lessen the focus on commercial value of the new listings. Over-regulation may cause negative impact on Hong Kong's overall market vitality resulting in fewer companies to be listed in Hong Kong and lower opportunity to raise funds. The Hong Kong's position as an international financial hub will inevitably be weakened in the long run.

In brief, the current system has been in place for many years and the Hong Kong IPO market was number one worldwide these years, I believe the system works well and should be preserved.

Please be advised that I wish my name withheld from publication.

Yours faithfully,

A large black rectangular redaction box covering the signature area.