



恒基兆業地產有限公司

HENDERSON LAND DEVELOPMENT COMPANY LIMITED

6 September 2016

Corporate Finance Division
Securities and Futures Commission
35/F., Cheung Kong Center
2 Queen's Road Central,
Hong Kong

Dear Sirs,

Re: Joint Consultation Paper on Proposed Enhancements to The Stock Exchange of Hong Kong Limited's Decision- Making and Governance Structure for Listing Regulation

We refer to the captioned joint consultation and object the proposed system for the following reasons:

- (1) The current system has been in place for a long time and worked well. The Listing Committee is composed of seasoned market participants and industry professionals who have a good understanding of the market. Together with the dual filing regime and the veto power of the Securities and Futures Commission ("SFC"), the current arrangement provides a well balanced regulatory structure in terms of IPO approvals and listing matters. We do not see a compelling reason or merit for the proposed change.
- (2) The set-up of the Listing Policy Committee and the Listing Regulatory Committee, as proposed, will steer away the diverse expertise and experience of the seasoned market participants and professionals of the Listing Committee. The "Regulator" mindset under the proposed system would make the regulation compliance of IPO applications much more burdensome and costly. It may even lead to more rejections of applications and impede the growth of Hong Kong IPO market.
- (3) The proposed system will move Hong Kong backwards while the major markets, e.g. Singapore and mainland China are all moving to the "Disclosure" based regime.
- (4) While we note the recent suspected manufacturing of shell companies in the GEM market may tarnish the reputation of Hong Kong, such matters should be tackled specifically instead of changing the overall approval structure.

We would like to further comment on the following points:

Policy development

As explained above.

Listing application by new applicants

A "Regulator" based regime of the new Listing Regulatory Committee may not be at

upmost interest of the investing public, but give rise to compliance burdensome and higher compliance costs.

Matters involving listed issuers

The proposed decision process of the post IPO cases with or without the policy issue or cases of novel or sensitive nature is complicated.

Oversight of listed function

The new Listing Policy Committee which will mainly handle policy matters and cases of novel or sensitive nature may not have in-depth knowledge of the Listing Department's performance for appraisal purpose. This may have an adverse impact on the staff morale of the Listing Department.

Publication of decisions

There will be several categories of listing decisions as published by the Listing Department, the Listing Committee, the new Listing Regulatory Committee, the new Listing Regulatory (Review) Committee, etc. that the market participants may find it confusing in terms of consistency and certainty.

Compositions and procedures of the new Listing Policy Committee and the new Listing Regulatory Committee

As explained above.

Composition and Procedures of the Listing Regulatory (Review) Committee

As explained above.

Composition and Procedures and the Listing (Disciplinary) Committee, the Listing Disciplinary Review) Committee and the Listing Disciplinary Chairperson Group

As explained above.

Conclusion

The proposed structure will undermine the experience and expertise of the Listing Committee, which is not justified.

Yours faithfully,
For and on behalf of
Henderson Land Development Co. Ltd.