【】CK HUTCHISON HOLDINGS LIMITED 長江和記實業有限公司

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BY HAND AND BY FAX (2810 5385)

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

BY HAND AND BY FAX (2524 0149)

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

Dear Sirs,

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

We write in response to the Consultation Paper. Our comments herein are focused on the healthy development of the Hong Kong market rather than the particular situation of any listed company.

We believe that a balanced practitioner-and-regulator based system is best suited to the Hong Kong market and the public investors as a whole.

Under the existing regime, the Exchange is the "frontline" regulator of all listing-related matters and issuers listed on its markets. The SFC, having been entrusted with the veto right with respect to both the IPO vetting and policy setting processes, has played an effective role and function as a gatekeeper to ensure, amongst other things, an orderly and open market in Hong Kong.

The Listing Committee is a unique feature of the current structure devised to reduce any conflict of interests between the regulatory functions and the commercial interests of the Exchange. With 28 members from investors, listed companies and market practitioners and professions, it represents the market intelligence and plays a key role as an independent decision maker as well as an advisory body for the Exchange. The comprehensive market experience and insights which the Listing Committee has been contributing towards the IPO vetting and the policy setting processes has nicely balanced the regulatory roles of the Exchange and the SFC.

We appreciate that the current structure has served the market well and believe it would continue to function well to address emerging market developments.

There is of course always room for improvement, and it is important that the Government, the regulators and the market remain vigilant to review and improve the regulatory structure as and when necessary to ensure that the Hong Kong market remains fair, competitive, efficient, orderly and transparent. However, any structural change should, as always, be thought through and treated with caution.

Principal Executive Office 22/F, Hutchison House, 10 Harcourt Road, Hong Kong Tel+852 2128 1188 Fax+852 2128 1705 www.ckh.com.hk The governance structure proposed in the Consultation Paper contrasts with the existing framework in a number of ways, with a key one being the role of the Listing Committee. Essentially, the role of the Listing Committee will be changed, with a noticeable portion of its functions to be taken over by the Listing Regulatory Committee and the Listing Policy Committee. As with any committee, its membership is its genetics. The newly created committees will, through the presence of SFC nominated and/or appointed members, result in the SFC taking on a more "front-line" role in related regulatory affairs.

In addition, the responsibilities of the Listing Committee will be restructured in a significant manner if the proposal outlined in the Consultation Paper is to be implemented. It is therefore logical to address the market concerns over the proposed rebalancing and/or removal of power which might upset the current system that harmonises market intelligence with regulatory oversight.

More importantly, one should not forget that the market in Hong Kong is an ecosystem comprising investors, listed companies and other issuers, regulators, directors, independent directors, market intermediaries and related professionals, to name a few. Significant changes in one aspect of this ecosystem will have broader impact on others. Already, public statements proffering a spectrum of viewpoints have been made, ranging from categorizing the proposal as a regulatory turf war to genuine questions around the effectiveness of the proposals to support for an even more comprehensive overhaul in the form of a complete transfer of the listing power to the SFC.

As important as the financial market is to the future of Hong Kong, the proposals in the Consultation Paper and any and all potential ripple effects should be considered with much caution. Only when the Hong Kong market could remain fair, competitive, efficient, orderly and transparent would one have confidence in the future of Hong Kong.

Yours faithfully,
For and on behalf of
CK Hutchison Holdings Limited

Steven Allen Deputy Group General Counsel