

**Cheung Kong Infrastructure Holdings Limited****長江基建集團有限公司**

(Incorporated in Bermuda with limited liability 於百慕達註冊成立之有限公司)

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19th September, 2016**BY HAND AND BY FAX (2810 5385) BY HAND AND BY FAX (2524 0149)**

Corporate Finance Division
Securities and Futures Commission
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2 Queen's Road Central
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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/Madams,

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

We refer to the Consultation Paper and would like to raise our concern on the regulatory structure proposed.

Under the proposed structure, the proposed Listing Policy Committee and the Listing Regulatory Committee, with 8 and 6 members respectively and a peculiar quorum for a LC investor representative, will be responsible for decisions on policy matters and listing approval, in the place of the 28 members of the LC who come from a variety of background and professions and have brought with them comprehensive experience and valuable insights regarding the global economic environment and direction of market trend. Historically, the LC acts independently of and as an advisory body to the Exchange. It reduces any actual or conceived conflict of interests in the Exchange's regulatory power over listing and policy matters and its commercial interests. If the proposal is implemented, the role of the LC will be restricted to routine IPO approval and non-binding recommendation on policy matters. Accordingly, the market will cease to be able to directly contribute its voices to its own regulation.

The "3-tier" regulatory system, pursuant to the Hay Davison Report published in 1988 and comprising the FSTB, the SFC and the Exchange, has been the cornerstone of Hong Kong listing regulation. It has proved to be very successful and has served the market well, supporting Hong Kong's growth into an international financial centre. The proposal in the Consultation Paper will change the direction of the listing regulatory environment in Hong Kong, and has significant impact on the future of its financial market and related commercial, banking and professional activities. It must be treated with caution.

...12

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-2-

The LC has underpinned the success of the current regulatory structure, and the proposal in the Consultation Paper will sideline its role and bring along a significant change to how policy in market regulation will be shaped in the future. There is a serious concern that the dynamic voice representing different market sectors will be lost over to decisions of a few individuals. The implications can be far-reaching resulting in a fundamental impact on the future of Hong Kong's financial markets.

Currently, the SFC functions valuably as the gatekeeper to ensure an orderly and open market and police the market through its enforcement efforts. With the benefit of the dual filing system, the SFC is poised to effectively monitor all IPO applications and policy proposals at an advanced stage of the matter. It can also veto any IPO approval and policy. Under the proposed structure, the role of the SFC will be fundamentally changed. Through its representatives on the Listing Policy Committee and Listing Regulatory Committee, the current check and balance is lost as the SFC's functions merged into that of the Listing Committee.

In order to maintain the success that the different sectors of the financial market of Hong Kong have built up over the years, the proposal in the Consultation Paper calls for more time and opportunity for comprehensive consultation and discussion in the market on its merits and on whether this is the direction our regulatory structure should move towards.

For any queries in relation to the above mater, please feel free to contact the undersigned at telephone or at e-mail address

Yours faithfully,

Ivan Chan
Chief Planning and Investment Officer