



TOM Group Limited  
A member of CK Hutchison Holdings  
TOM集團有限公司  
長江和記實業成員

23 September 2016

**BY HAND AND BY FAX (2810 5385)**

Corporate Finance Division  
Securities and Futures Commission  
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**BY HAND AND BY FAX (2524 0149)**

Corporate Communications Department  
c/o Hong Kong Exchanges and Clearing Limited  
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1 Harbour View Street  
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Dear Sirs,

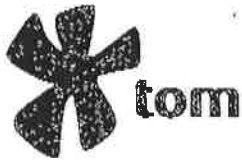
Re: Consultation Paper on Proposed Enhancements to the Exchange's Decision-Making and Governance Structure for Listing Regulation ("Consultation Paper")

We wish to express our comments on the Consultation Paper.

Hong Kong is located in a unique part of the world where it acts as a premier international financial centre serving both investment opportunities seekers and capital seekers. To uphold Hong Kong's leading role as a global financial centre, the listing regulatory regime must be efficient in serving the best interest of the market whilst overseeing the quality of the companies that are listed on the Stock Exchange of Hong Kong Limited ("Exchange").

The Exchange currently regulates all listing-related matters and the issuers listed on its markets. The Securities and Futures Commission ("SFC") has the ultimate veto right with respect both the IPO vetting and policy setting process as well as a gatekeeper of an orderly and open market in Hong Kong.

The Exchange's listing-related functions are discharged by (i) the Listing Department ("LD") and (ii) the Listing Committee ("LC") comprising of 28 members including representatives of investors, listed companies and market practitioners as well as the Chief Executive of the Exchange as an ex officio member. The existing structure of the LC enables the Exchange to tap the commercial and business knowledge and the experience of market users for policy formulation and regulatory decision-making. Under the dual filing regime, the SFC has the power to give "parallel comments" on listing applications and it possesses the ultimate "veto power" to reject any application or impose on the application restrictions that might not have been contemplated by the Listing Committee. In addition, approval from the SFC is required for any changes to the Listing Rules to be effected.



It appears that the proposed modified governance structure under the Consultation Paper brings in the following major changes : (i) the LC will be restricted to only serving as the decision-maker for IPO applications and matters involving listed issuers that do not have suitability concerns or broader policy implications; and (ii) the Listing Regulatory Committee ("LRC"), a 6-person committee with equal number of representatives from Exchange and the SFC, and Listing Policy Committee ("LPC"), a 8-person committee with equal number of representatives from the Exchange and the SFC, will be established to discharge certain important duties originally vested with the LC. The LRC will be empowered to assume primary responsibility for assessing listing applications that involve suitability and/or broader policy implications while the LPC will be empowered to steer the Exchange's work on Listing Rule amendments and overall listing policy and replace the Listing Committee as the body responsible for the oversight of the listing function and the Listing Department's performance within the Exchange.

According to the Consultation Paper, the market has become increasingly large and complex and it brings about a great variety of risks. The Exchange and the SFC considered the existing listing regulatory regime has to be revised to align with Hong Kong's status as a leading international financial centre and they set out the objectives to be attained through the implementation of proposals stated therein.

The existing system has been serving the market well and we expect it will continue to do so. Whilst we accept that the proposals outlined in the Consultation Paper are in furtherance to improving the current structure with the view to ensure that the Hong Kong markets remains fair, competitive, efficient, orderly and transparent, however we believe that any proposal for significant change should warrant more thought and be treated with caution. Our view is that further discussion and consultations be embarked.

Yours faithfully,  
For and on behalf of  
TOM Group Limited

Andy Leung  
Senior Legal Counsel