



12 October 2016

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

Corporate Communications Department  
c/o The Stock Exchange of Hong Kong Limited  
12/F, One International Finance Centre  
1 Harbour View Street  
Hong Kong

Dear Sir or Madam,

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

We refer to the "Joint Consultation Paper on Proposed Enhancements to the Stock Exchange of Hong Kong Limited's Decision-Making and Governance Structure for Listing Regulation" issued in June 2016 (the "**Consultation Paper**"). We strongly urge the SFC and the Exchange to revoke the proposals in relation to the establishment of the Listing Policy Committee (the "**LPC**") and the Listing Regulatory Committee (the "**LRC**") as set out in the Consultation Paper.

Commercial and market consideration on listing matters

Balance of power is the core value in every legal and regulatory authority in Hong Kong and being able to uphold this spirit makes Hong Kong an attractive place for investors. Listing matters should be considered in terms of a balance of regulatory and commercial implications and actual market practice, which formulate the composition mix of the existing Listing Committee. The existing Listing Committee has effectively screened out companies which are unsuitable for listing. We do not see the imminent need to introduce new regulatory system and procedures.

The proposed LRC and LPC, which overrides the Listing Committee, comprise only the SFC and the Exchange's representatives and disregard the opinion from market practitioners or other professional involvement. We are of the view that listing decisions concluded by LRC and LPC could not attain the objectives of building a fairer and more efficient system. We also doubt the Proposals' effectiveness in promoting market efficiency.

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We recognize that better communication between the SFC and the Exchange can enhance the listing decision process. Closer coordination and cooperation could be achieved by including SFC members into the existing Listing Committee instead of setting another committee above it. The existing dual filing system already provides the SFC direct involvement in listing decisions at an early stage.

Effectiveness of the Proposals is doubtful

Additional LRC and LPC positioned above the existing Listing Committee will complicate the listing procedures and at the same time marginalize the Listing Committee. While having the LRC and LPC consist both the SFC and the Exchange members, we are unable to see improvement on clearer responsibility & accountability. The potential achievement of the Proposals' original intentions is doubtful.

As such, we sincerely hope that the SFC and the Exchange could consider and address our concerns and revoke the Proposals in the Consultation Paper as appropriate.

Yours sincerely,  
For and on behalf of  
**Emperor Capital Group Limited**

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CHAN Shek Wah  
Executive Director