



位元堂藥業控股有限公司  
Wai Yuen Tong Medicine Holdings Limited

Date: 2 November 2016

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

and

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

Dear Sirs,

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

We refer to the joint consultation paper in relation to the "Proposed Enhancements to The Stock Exchange of Hong Kong Limited's Decision-Making and Governance Structure for Listing Regulation" published by the Securities and Futures Commission (the "SFC") and Hong Kong Exchanges and Clearing Limited (the "HKEx") in June 2016 and hereby write to express our puzzle about the effectiveness of such significant structural and procedural changes.

We understand that the current structure (as shown in Chart No. 1 below), with a listing committee comprising 28 professional elites has been well established for long time which is independent to the HKEx and introduces an independent, balanced, clear and simple decision making and reporting structure and enables Hong Kong to attract more quality renowned and innovative enterprises to list their shares in Hong Kong in the past decades.

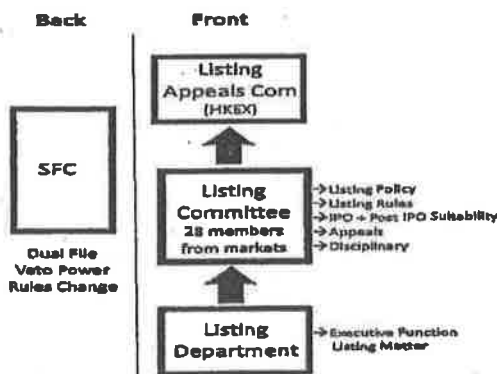
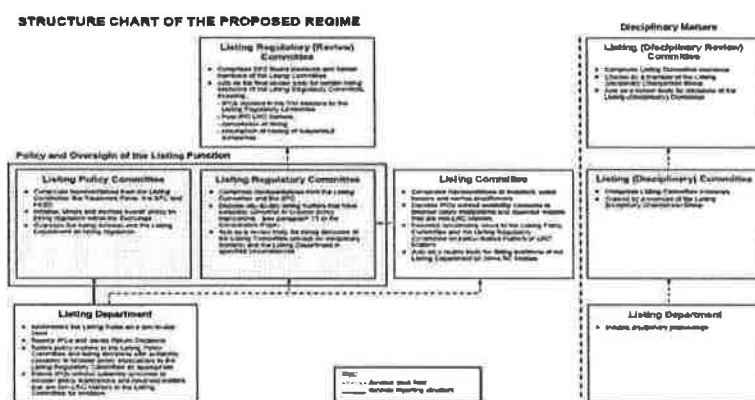


Chart No.1

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However, the new structure chart of the proposed regime by formation of two new committees, namely “Listing Policy Committee” and the “Listing Regulatory Committee” (*as shown in Chart No. 2 below*) seems to complicate the reporting and decision making structure in relation to the listing affairs which concentrate the authorities on only several senior officials of the SFC and HKEx that not only deny the existing clear, simple and independent decision making structure but also damage the market driven structure in Hong Kong:-

**Chart No. 2**

Furthermore, the New Proposal will substantially reduce the power of the Listing Committee and give the SFC over control of the listing affairs, as all complicated new listings and setting new policies, says, those cases involving suitability issues or have broader policy implications, will be decided by the two newly formed committees. In addition, a new “Listing Regulatory (Review) Committee”, which comprises members of the board of directors of the SFC and former members of the Listing Committee, will replace the existing “Listing Appeals Committee” to act as the final review body for certain listing decisions, this will be greatly harmful to the international listing status and capital market of Hong Kong.

In a nutshell, we consider the current structure as illustrated in Chart No.1 is working well and showing their regulatory function. It is hoped that the SFC and the HKEx will take these into consideration to withdraw the New Proposal as such significant changes set out in the New Proposal are not appropriate to the existing market circumstance.

For and on behalf of  
Wai Yuen Tong Medicine Holdings Limited