



新世界發展有限公司

New World Development Company Limited

Date: 15<sup>th</sup> November 2016

By Email: [ListingRegulation@sfc.hk](mailto:ListingRegulation@sfc.hk)

Corporate Finance Division

Securities and Future Commission

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Corporate Communication Department

Hong Kong Exchanges and Clearing Limited

Dear Sirs

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

We refer to the captioned Consultation Paper of June 2016 issued by The Securities and Futures Commission ("SFC") and The Stock Exchange of Hong Kong Limited (the "Exchange"). In accordance with Paragraph 141 of the Consultation Paper, we set out our views as follows:

The Proposals in the Consultation Paper will give SFC all-encompassing control and regulatory authority in Regulatory Listing matters. There will be no check and balance between SFC and the Exchange as compared with the existing structure.

The current 3-tier regulatory structure (Exchange, its Listing Committee and SFC), together with the dual filing to SFC have been working well since 2000s.

However, under the proposed regulatory structure, the Listing Committee powers would be reduced to presiding over common routine IPO and post IPO matters only. All suitability queries would be taken away from the Listing Committee and be given to the new Listing Regulatory Committee which is comprised of SFC and members of the Listing Committee. Further, all policy and rules changes would be decided by the new Listing Policy Committee, which again are dominated by SFC. They are not balanced structures.



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The above changes will lead to a regulator led regulatory regime or a merit based regime, as opposed to a market led regulatory regime or disclosure based regime which is practiced in most jurisdictions globally. The Exchange will be left with minimal role in the listing function of the stock market. On the other hand, SFC which is regulator-minded will be given too much authority and power. This is unsatisfactory.

We are against the Proposals. We propose that the current 3-tier regulatory structure be continued.

Yours faithfully

For and on behalf of

New World Development Company Limited

Wong ~~Man-Hoi~~

Company Secretary