

Dear Sir, Madam,

Submission to the Joint Consultation Paper on Proposed Enhancement to HKEX Listing Regulation.

My Sincere Apologies for the late Submission as I mistaken 21 Nov 2016 as the submission deadline.

I am supportive of the proposals set out in the Consultation Paper on a broad perspective. However, I would like to highlight 3 major points:

1. My support is based on pure "Hope" that the proposed changes can improve the qualities of the listings.

Unfortunately I am not highly confident that the proposed changes will achieve that. In practice, how much time & resources can three SFC senior executives devote to listing matters, given their already busy workload, makes me very doubtful.

I hope the SFC will hire more resources to support this enhanced and important responsibility.

2. While I am supportive of SFC having more (& earlier) involvement at the Listing process, there is wide spread concern that SFC, as a regulator will take overly conservative positions on listing judgements, thus stifling Hong Kong as a preferred centre for capital raising.

We have seen this happened in the banking industry around the world. Since 2008, banking regulators heavily regulate areas such as risk disclosure and client information documentation etc., to the effect that both banks and their clients are now suffering higher cost and unnecessary bureaucracy.

One potential solution is the SFC should have more Investor representations (not Law nor Accounting professionals who are service providers to the Listcos) in vetting the IPOs. For example, the views of the SFC (HKEX Listing) Committee can be given more transparency, so that the Public have confidence that the ultimate stakeholder's (i.e. investor's) views are reflected in the listing decisions.

3. Investor's view should be given the highest consideration in this Consultation because investor is the only stakeholder group that put money into stocks listed on the HKEX. Other stakeholders such as lawyers, bankers, accountants and corporates are all beneficiaries of the listing process in terms of fees or capital raised.

During this consultation, many corporates, business associations, lawyers, bankers, accountants have voiced their reservations to the Listing Reform in a high profile manner. On the contrary, investors have been relatively quiet. This does not mean investors are satisfied with the current system. In reality, many

have already "Voted with their feet" and diversified their investment to other stock exchanges or other products.

With the support of some Buy-side peers, I conducted an informal Poll regarding this Listing reform proposal with following 3 simple questions. Nine "Type-9" licensees, most of them Responsible Officers, responded (including myself). These are very seasoned fund managers with 15-20 years capital markets experience.

Question 1 "Are you satisfied with the quality of the listings at the HKEx over last 24 months? *Yes / No*"

All 9 respondents said "No", they are not satisfied with the quality of the listings over last 24 months.

Question 2: "Do you support the Proposed Enhancement outlined under this Consultation? *Yes / No*"

7 respondents support the Proposed Enhancement, while 2 respondents said "No, they do not support"

Question 3: If the SFC is given more supervisory power over the Listing process, are you concern that the bar will be set too high so that HK Stock Exchange's leading position in Asia might be impaired? *Very Concern / Somewhat Concern / Not Concern at all*

Majority of respondents (4 respondents) said they are "Somewhat Concern" that the SFC may set the bar too high so that HKEx's leading position in Asia might be impaired. 2 respondents said they are "Very Concern"; while 3 respondents said they are "Not Concern at all"

Thank you for your consideration.

Best
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Former Member of:
The Listing Committee, HKEX
Dual-Filing Advisory Committee, SFC HK
The Public Shareholders Group, SFC HK