

21 October 2009

Corporate Communications Department  
Hong Kong Exchanges and Clearing Limited  
12<sup>th</sup> Floor, One International Finance Centre,  
1 Harbour View Street,  
Central, Hong Kong.

Dear Sir/ Madam,

**Re: Submissions on Consultation Paper on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong**

I wish to make submissions on the subject consultation paper issued by the Hong Kong Exchanges and Clearing:-

- (1) The proposed framework to accept the use of mainland accounting and auditing standards should NOT be accepted until:-
  - (a) PRC standards and HK standards are fully integrated and identical;
  - (b) PRC fully recognizes and permits HK accountants to practice on PRC accounting, taxation and listed companies auditing and valuation work freely;
  - (c) PRC practising partners and managers have practical experience in 'H' Share audits for not less than 7 years.
  
- (2) The mainland audit firms endorsed by Ministry of Finance (MOF) and the China Securities and Regulatory Commission (CSRC) for mainland incorporated listed in Hong Kong should NOT BE accepted by HKEX unless:-
  - (a) The majority of partners and managers of these firms have 'H' Share audit experience of not less than 7 years;
  - (b) These firms must be subject to monitoring and oversight by HKEX, SFC HK and HKICPA (and NOT only by MOF & CSRC); AND
  - (c) At the same time, on a reciprocal basis, HK firms (with certain limits as to size and experience) should be allowed to sign financial statements and be accepted for MOF, CSRC and PRC tax authorities for tax filing and listing purposes.

Without 2(a), (b) and (c) above, it is just (i) totally unfair to Hong Kong Regulatory Bodies, Investors at large and the Accountancy Profession in Hong Kong to accept the proposals, (ii) lack of adequate monitoring and oversight by HONG KONG, REGULATORY BODIES, and (iii) inadequate investors' protection to the public investors both in Hong Kong or overseas.

Yours faithfully,

FANNY WONG  
CPA, Hong Kong