



譚香文 Hon. Mandy TAM Heung-man

立法會議員(會計界) Legislative Councillor (Accountancy)



Our ref : HKEX-20080331L

31 March 2008

Mr. Ronald Joseph Arculli, GBS, JP
Independent Non-Executive Chairman
Hong Kong Exchange and Clearing Limited
12/F, One International Financial Centre
1 Harbour View Street,
Central,
Hong Kong

Dear Mr. Arculli,

Latest Consultation on Amending the Listing Rules

I understand that in the new consultation paper from the HKEx proposing to remove from the listing rules the requirement for a qualified accountant for both main board and GEM issuers. Many accountants are concerned the proposal is regressive for corporate governance, in particular that transactions are getting more complicated and need the skills of a professional accountant.

I would like to take this opportunity to express my comments for your careful consideration.

Hong Kong is an important and high-standing international financial centre and investors expect all of Hong Kong listed companies to be in excellent quality of management and financial reports. Listed companies can only be accountable to the shareholders and the society if they can achieve a reasonable level of corporate governance. A "qualified accountant" is definitely indispensable for achieving and maintaining good corporate governance. That is why the accounting profession is well concerned about the amendment proposed.

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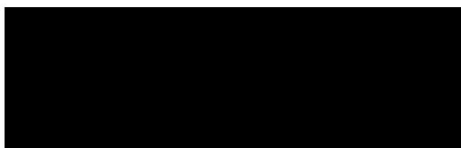
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Hong Kong is an international city and its regulatory system on listed companies is coherent with the most updated ones all over the world, however it has its uniqueness which emerged from the unique mixture of cultures in business and financial environment. It would be definitely an advantage if Hong Kong accountants, who are professionally trained to adapt for the local environment better, to be hired as accountants for listed companies. Therefore, I propose for your serious consideration for retaining the existing requirement of hiring a Hong Kong qualified accountant on listed companies. In some markets it is also required that the Chairman of the Audit committee be a qualified accountant. If Hong Kong is to retain a leading role in Asia as a finance centre, we should be considering improving corporate governance quality rather than relaxing controls.

I am always ready to discuss with you about how we can improve the corporate governance of listed companies and maintain Hong Kong's status as an international financial centre. If you have any queries, please contact me at [REDACTED].

Yours sincerely,



Mandy Tam
Legislative Councillor (Accountancy)