

Dear Sirs,

**Re: Joint Consultation Paper on Proposed enhancements to the Stock Exchange's Decision Making and Governance Structure for Listing Regulation**

I regret to tell you that the consultation paper does not prescribe the right panacea for Hong Kong stock market right now, i.e. insufficient enforcement effort against those in breach of law in IPOs.

There is nothing wrong with the existing regulatory system and like other leading financial centre, there are still minor imperfections in the stock market of Hong Kong.

Indeed, only minor refinements can achieve what are intended in the consultation paper.

I would like to add few words for the drawbacks of the proposals in the consultation paper:

- the proposals do not consider check and balance in details which is much important than the consensus building as mentioned in the proposals;
- the proposals entail fundamental change to the existing regulatory system;
- the proposals do not consider market development issue which is critical for the stock market in Hong Kong
- the proposals will move Hong Kong to a merit-based regime, which is highly undesirable.

Yours faithfully,