

Dear Sirs,

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

I just wonder whether my submission to the captioned paper will serve any meaningful purpose as there is rumour that the consultation process is merely symbolic in any event and the proposals in the captioned paper will be implemented in any event.

Having said that, as a Hongkongese, I have a compelling ethical obligation to express my view boldly on the proposals in the captioned paper, as it have profound impact on the future of Hong Kong:

- (i) The captioned paper and the proposals therein are utterly superfluous as the goals of the proposals can be attained by making small refinements to the existing system;
- (ii) The proposals themselves cause a lot of concerns such as check and balance issue; merits-based disclosure issue and market development issue, etc.
- (iii) The proposals involve the significant revamp of the existing system and it is very unreasonable for not having the proposals discussed and debated by the legislators first and getting their endorsement eventually. Without such endorsement, SFC always runs the risk that the proposals may be challenged by any person(s) who file the judicial review application in the court in due course;
- (iv) If there is no increase in direct and indirect power in the listing regulation for SFC under the proposals as repeatedly affirmed by SFC officials, I do not understand why there are so many pages in the captioned paper depicting how the new structures for listing regulation will be under control of SFC directly or indirectly in the future; and
- (v) The captioned paper contains very limited information and does not include the stance of all the affected stakeholders such as the stance of each board member of the Stock Exchange and the stance of each member of the Listing Committee and the survey of the practice of all the leading financial centres in relation to the proposals, all these reinforce my pre-occupation as to whether the consultation process is genuine or not.

In light of the above, I strongly consider that the proposals in the captioned consultation paper are completely unnecessary and do not address the most urgent issue in hand.

Instead, SFC should increase the effort in its enforcement work by vigorously prosecuting wrongdoers in the IPO process such as the sponsors and other related professional parties as the top priority. Thanks for your attentions!

Yours faithfully,