

Dear Sirs,

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

I strongly oppose the implementation of the proposals in the captioned consultation paper and the grounds of my opposition are as follows:

1. The proposals replace the existing practitioner-based regulatory system (with market input and perspective) with the SFC-led regulatory regime which may easily lead to insensitive or heavy handed over regulation, above all, the check and balance under the existing regulatory system will disappear after implementation of the proposals.
2. The current regulatory system works well for only protection of the investors. Compared with other leading financial centers, the percentage of IPO failure in Hong Kong is roughly the same as that in other financial centers, I do not see any need to reform the existing structure governance
3. The proposals involves fundamental change to the existing regulatory system \ by requiring the set-up of two new committees on top of the Listing Committee (LC): the Listing Regulatory Committee (LRC) and Listing Policy Committee (LPC) and LRC and LPC will be controlled by SFC through the nomination process and inherent membership requirement of these two new committees.
4. The proposals will downplay the existing role of LC by transferring its original key functions of vetting of new listings to LRC and formulation of listing policy and listing rules to LPC without recognizing the importance of diverse expertise, experience and market perspectives of LC in the vetting listings and formulation of listing policy and listing rules.
5. The proposals will hinder market development by vesting all the key listing regulation power in SFC which is not the appropriate institution to handle the market development, as the regulators tend to be risk adverse and not market orientated.
6. The proposals will move the existing regulatory system towards the merits-based regime from the disclosure-based regime, as the regulators generally favour the merits-based regime, which is not in par with the global trend in the financial market.

Yours faithfully