

28 APR 2005

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Dear Sir,

I want to comment on the changes to the Listing Committee in your consultation paper. I really think the changes are too complicated. There are simpler things that can be done to improve the system.

1. One Committee with Greater Flexibility

I think there should just be one listing committee with enough members to do the work expected of them. If it is useful to create sub-committees such as those proposed that would also be fine. But if the system does not work as expected, the committee should be free to reorganise itself as it needs to to complete their work in a responsible way, without another public process. This is similar to the way any committee should work. Changes can be announced publicly when they occur and discussed with the SFC. I worry that the separate committees described in your paper would be an excuse for committee members on one committee but not another to blame each other for problems that arise.

2. Clear Responsibility to Public Investors

I think you should end the constituency model for the listing committee. They are not the Legco. Choose people that are best able to supervise the Stock Exchange's regulation of the market. Don't be bound by artificial number limits. Be prepared to defend the choices individually and as a group.

All committee members should be responsible to simple clear regulatory objectives, not interest groups. I think the objective should be the protection of investors and the promotion of a fair, orderly and accessible capital market. This is already in the listing rules, but a clear mission statement from the listing committee could also help.

3. Clear Accountability

I was very surprised to see that the listing committee does not supervise the listing division. I thought that was in the listing rules – is the rule being ignored? If the committee has not been doing so in the past, I do not think that is a reason for

continuing to do it in the future. It is important for the listing committee and the listing division to work closely together even if it is hard work. If the chairman and other committee members don't have the time to do it properly, it might be a good idea to put the head of the listing division on the listing committee. At least he works full time.

4. More Transparency

I think the listing committee's annual report is a good idea that should be expanded. A spot for the listing committee on the Stock Exchange website would also be good. I would like to see photographs and full biographies of committee members. Also a clear record of speeches, interviews and public comments would be nice. Committee members seem to be in the news all the time but I am not sure I see all the stories. I understand why most things are secret, but could the listing committee hold a public meeting once a year? That seems to be very easy to me, and would let people meet the committee and ask them questions.

Thank you.