

August 14, 2006

Tax Reform
Financial Services and the Treasury Bureau
4/F, Main Wing, Central Government Offices
Lower Albert Road
Central, Hong Kong

RE: GST Consultation

With regard to the consultation on Goods and Services Tax (GST), we write to express our strong **opposition** to the proposal.

We believe that GST will bring a great negative impact to our economy and hurt the harmony of the society.

Imposition of GST will discourage domestic and tourists' consumption, increase inflation, tarnish Hong Kong's reputation as 'Shopping Paradise', destroy Hong Kong's low and simple tax system, and thus lose our competitive edge. Furthermore, complicated administrative work will cause huge capital costs and operating costs to Government and commercial sectors.

As garment wholesaler, retailer and also ordinary citizens, we can foresee we will suffer from all these negative impacts incurred by GST, and so will the others. All walks of life in Hong Kong will pay a huge cost for the tax reform. We doubted that the driven revenue can really cover the loss of the whole society.

We hope the government can hear our voice, and also the voice from the majority.
WE STRONGLY OPPOSE TO GST.

Yours faithfully,



YGM Marketing Limited

YGM MARKETING LIMITED

A SUBSIDIARY OF YGM TRADING LIMITED