

25th July 2008

Corporate Finance Division
Securities and Futures Commission
8/F Chater House
8 Connaught Road Central
Hong Kong

Attn: Consultation on Mixed Media Offers

Dear Sirs

**Re: Joint Consultation Paper on Issue of Paper Application Forms
with Electronic Prospectuses**

I understand that the captioned joint consultation paper was circulated in April this year to a selected group of organisations seeking their input on the proposed changes to the rules governing the listing of securities on the SEHK Main Board and the GEM. These changes I believe pertain to the move towards submission of ready-to-publish share offer prospectuses and other related financial communications in electronic rather than paper format.

Whilst not amongst those chosen for consultation and that the submission date for feedback has passed, I am keen to raise a few pertinent points from the private investors' perspective for possible consideration in your eventually decision making process. I do not mean to appear presumptive but merely seek to raise points that may not have been aired by others.

I am, of course, mindful of the global trend towards electronic publishing and greater use of the internet as a communications tool as pressure mounts to conserve our environment. As an environmentally-conscious group we fully support this effort.

Production of e-prospectuses will certainly suit the purposes of many investors, particularly institutional investment companies. However, there is a sector of the market amongst the traditional retail investors that are not internet or computer savvy who must still be served. Yet others may not have easy access to printers or may not want to peruse through the volumes of information on screen. Hard-copy, printed materials should still be made available to them, albeit that the quantities may be smaller. To not provide this facility and thereby marginalise this sector of the investing public would be grossly unfair.

The internet is not infallible as was shown by the earthquake in Taiwan a few years back that caused the underwater optical-fibre cables to break thereby seriously affecting the worldwide financial industry for several days before it was finally repaired. Likewise, the ability of websites to handle the overwhelming increase in access traffic when very

sought-after stocks are launched is sometimes questionable. This can also put some of the retail investors at a serious disadvantage.

In cases such as those described above, it is important to be able to revert to traditional practices as an emergency response and produce printed prospectuses. This may require a lead time in excess of 24 hours for production of sufficient quantities. In some cases this may be insufficient time for some retail investors to access and digest the information and decide on whether to subscribe the share offer or not, thereby putting them at a marked disadvantage.

Then again there is the practice of issuing preliminary prospectuses to institutional investors prior to share offer launches to help them raise interest amongst their clientele through road shows, investment seminars, and such. For this purpose, the documentation must be in printed format. It follows that retail investors should be entitled to the same rights.

I feel that it should be left to the market to dictate the demand. If few people pick up prospectuses then the banks will advise their clients that there is no need to print such large quantities. Obviously, there is still a market for the printed products as has been seen on many occasions when banks have run out of these prospectuses causing panic reprints.

From the foregoing, you will note that I am not advocating that the rules should not change but rather that in the spirit of fairness to all parties that limited numbers of prospectuses should still be produced in printed format for those that can not otherwise have access to the data.

I do hope that you will accept this submission in the vein that it was intended, that of a solution to ensure all parties are catered for.

Yours faithfully,

Mike Fulton

cc Corporate Communications Department, Hong Kong Exchanges and Clearing Limited