

NANYANG HOLDINGS LIMITED

(*Incorporated in Bermuda with limited liabilities*)

BY HAND

Our Ref : 08/023

April 3, 2008

Corporate Communications Department
Re : Combined Consultation Paper on Proposed Changes to the Listing Rules
Hong Kong Exchanges and Clearing Limited
12th Floor, One International Finance Centre
1 Harbour View Street
Central, Hong Kong

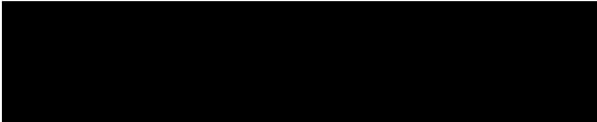
Dear Sir,

In response to *Consultation question 3.1 : Do you agree that the requirement in the Main Board Rules for a qualified accountant should be removed? Please provide reasons for your views*, our Company is of the view that this requirement is not necessary. An competent individual with the proper accounting background, have the knowledge and managerial accounting experience at a senior management level should be able to supervise the accounting and audit functions of the company and its subsidiaries to ensure compliance with Hong Kong financial reporting requirements, the Listing Rules and the setting up of proper internal controls. However, when the need arises, the Company could also engage assistance from professional firms outside.

In the case of Nanyang Holdings Limited, whose main business is investment holding, the Company is small and we only maintain a small number of office staff. We have nine office staff including four Company Executives plus three secretaries. We maintained the same number of staff over the years to contain administrative expenses. If we hired a certified accountant, there would not be enough responsibilities for the person to fill and it would be difficult to retain the staff. In 2006, in order to comply with the requirements of Code Provision C2.1 of the Code on Corporate Governance Practices, we hired KPMG to perform a High Level Risk Assessment for Nanyang's operations in Hong Kong a COSO-based Entity level control gap analysis and no significant control weakness was identified.

On this basis, we believe that this rule should be removed.

Yours sincerely,



Lincoln Yung
Deputy Managing Director

