

-----Original Message-----

From: [mailto:]
Sent: Wednesday, September 30, 2009 9:42 AM
To: response
Cc:
Subject: Re: Consultation Paper on Proposals to accelerate rights issues and open offers

Dear Sirs,

Regarding the HKEx Consultation paper on Proposals to accelerate rights issues and open offers, please find below of our response for your reference.

We understand that to help expedite fund raisings, HKEx proposes to shorten the notice period for book closure in respect of rights issues from 14 calendar days to five business days, which is proposed for the same treatment for open offers.

HKEx notice to Exchange Participants re the capital adjustment factors due to rights issues/open offers

The proposal focuses on the notice period raised by the listed issuers. Nevertheless, being one of the Exchange Participants, we are concern about the timing that HKEx can advise us about the capital adjustment factors/calculation formula that we will rely on to update our client's portfolio position after such rights issue/open offer. We are in doubt that, after such shorten period for listed issuers, the timing of when we can receive HKEx notice in time for our in-house preparation. It will be grateful if HKEx can advise at least the minimal time we will have between a corporate action notice is issued and its execution date for our in-house preparation, especially we may also have to liaise with our other overseas office which are located in different time zones.

The above concern will be worsened under the scenario when there were days interrupted by typhoon and/or black rainstorm warning or trading of the issuer's securities is suspended.

We understand that there will be merits brought along with the proposal, and being one of the Exchange Participants we are happy to see the improvements that are beneficial to all market participants and investing public. We will be much grateful if HKEx can address our concerns as above before any enactment of the proposal.

Thanks!

Regards,
Marcus Chan

Compliance and FCP
Newedge Group (Hong Kong Branch)