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Corporate Communications Department
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Dear Sirs,

Consultation Paper on Proposed Changes to Filing and Checklist Requirements For Listing of Equity Securities

We refer to the Consultation Paper on Proposed Changes to Filing and Checklist Requirements For Listing of Equity Securities issued by Hong Kong Exchanges and Clearing Limited in June 2009 (“**Consultation Paper**”) and set out below our comments and suggestions for your consideration.

1. Proposed Changes to IPO Checklists

We strongly support the proposal to consolidate the current 8-stages IPO document submission process and the rationale put forward by the Exchange in the Consultation Paper.

2. New Rules 9.11(24) and (25) – written confirmation in relation to the identity of a promoter, other interested party or corporate shareholder holding more than 5% (“**substantial shareholder**”) of the listing applicant (“**Confirmation**”)

We recommend that the Exchange re-considers the requirement to provide details regarding a promoter, other interested party or substantial shareholder of the listing applicant to the Exchange before the bulk-printing of the prospectus. We also note that use of the term “other interested party” in new Rule 9.11(24) lacks clarity.

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In relation to the requirement for a confirmation under new Rules 9.11(24) and 9.11(25), while we understand the Exchange's intention is to impress upon a listing applicant the importance of the disclosure of information regarding the controllers of, or holders of interest in, a listing applicant's assets or profits, the relevant information is already required to be included in the prospectus pursuant to Appendix 1A para. 8(1) and para. 45(2) of the Listing Rules for promoters and substantial shareholders, respectively. In the case of substantial shareholders, the information will also be disclosed to the public shortly after the listing of the issuer's securities on the Exchange pursuant to Part XV of the Securities and Futures Ordinance.

Accordingly, we believe it is not necessary (and duplicative) to require the submission of the same information to the Exchange under new Rules 9.11(24) and (25). In addition, this requirement does not seem to align with the policy of the Exchange to shift its regulatory focus away from pre-vetting, and its desire to remove provisions which may create a mistaken belief that the Exchange would have endorsed or subsumed the work of the applicant or professional parties in an IPO application.

Other issues

A. *Placing Guidelines*

We would like to invite the Exchange (i) to review Rule 9.16(6), Appendix 5, Form D (Marketing Statement) and Appendix 6 (Placing Guidelines) of the Listing Rules with a view to bringing them in line with international standards and practices, and (ii) to make their provisions clearer and, where necessary, more detailed and operative. It has been known for a long time that the application of the existing provisions has caused uncertainties and difficulties to market practitioners. We are happy to participate in discussions or consultations that the Exchange may decide to initiate.

B. *Listing Rules requirement to incorporate the Mandatory Provisions into the articles of association of a H-share issuer*

We would like to invite the Exchange to re-consider the requirement in Appendix 13 Part D Section 1 para (a) of the Listing Rules which provides that a H-share issuer must incorporate the Mandatory Provisions for Companies Listing Overseas ("Mandatory Provisions") into its articles of association. While we fully appreciate the Exchange's intention to ensure that essential shareholder protections is offered to H-share shareholders by requiring each H-share issuer to incorporate the Mandatory Provisions and other provisions contained in Appendix 13D into its articles of association, we note that the Mandatory Provisions have not been updated since their promulgation in the early 1990s. We are aware of cases where issuers are requested to seek waivers from strict compliance with Appendix 13 Part D Section 1 para (a) because the issuers have amended their articles of association in order to comply with the later promulgated PRC Company Law (as amended), which does not conform with the Mandatory Provisions. We suggest that the Exchange may consider adopting a more flexible approach whereby the Exchange will set out its minimum requirements regarding shareholders' protection that will be applicable to all companies listed on the Exchange, e.g. the current requirement on voting by poll. If such an approach were to be adopted, then irrespective

of the domestic legal and regulatory requirements of an issuer, the issuer must comply with the minimum requirements imposed by the Exchange.

C. Codification of unwritten listing application practices

We note that there are listing application practices required by the Exchange which are not contained in the Listing Rules or guidance notes published by the Exchange.

Examples include: (i) application documents submitted to the Exchange should be printed on double sided A4 paper; (ii) various requirements relating to the appearance of the prospectus cover or photographs in the prospectus: e.g. photographs of individuals or production facilities must be photographs of employees or customers or, as the case may be, facilities of the issuer; and (iii) logos or trademarks on the prospectus cover must be owned by or licensed to the issuer.

While we appreciate that these unwritten practices need to be considered in the context of the specific circumstances of each issuer, we believe it would be useful if there is general written guidance from the Exchange regarding these requirements to all practitioners.

Please do not hesitate to contact

) if you have any queries on our

comments or suggestions.

Yours faithfully,