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IN REPLY PLEASE QUOTE

DATE

12 December 2008

DIRECT DIAL

**BY HAND**

Corporate Communications Department  
Hong Kong Exchanges and Clearing Limited  
12<sup>th</sup> Floor, One International Finance Centre  
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Hong Kong

Dear Sirs

**Consultation Paper on Introduction of a Price Control Mechanism during the Closing Auction Session in the Securities Market**

We refer to the above Consultation Paper issued on 28 November 2008.

The order matching mechanism utilised during the auction session, including the price range limit set for the Indicative Equilibrium Price, may result in occasions where, even though there is enough liquidity in the market in particular stocks, orders may not be fully matched. This appears unsatisfactory and the Exchange should try to identify ways to resolve this.

HKG-1/769153/01

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