

17 May 2005

BY HAND AND
BY FAX 2295-3180

Listing Division
Hong Kong Exchanges and Clearing Limited
11th Floor, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

Attn: Ms. Kelly Wick, Assistant Vice President

Dear Sirs,

Consultation paper on new structure for listing decision-making

We refer to your consultation paper of February in relation to the new structure for listing decision-making (the "Consultation Paper"). Terms used in this letter shall have the same meanings in the Consultation Paper unless otherwise defined.

From the market practitioners' point of view, we do not have any major comments on the (i) proposals regarding decision-making processes for non-disciplinary and disciplinary matters; and (ii) draft amended Rules that would implement the proposed structural reforms.

Based on the Consultation Paper, the functions undertaken by the new Listing Policy Committee include interpretation of the Listing Rules, approval of significant policies related to regulations of listed issuers, first instance listing application and delisting decisions, granting waivers of the Listing Rules that will have general effect and also the review of disciplinary matters related to listed issuers. Given that the aforementioned decisions to be made by the Listing Policy Committee would have significant impacts on the listed issuers and/or the Hong Kong securities market as a whole and the new Listing Policy Committee itself is the paramount decision-making body of the Exchange, we consider that a balanced mix of members within the Listing Policy Committee is particularly important. For these reasons, we consider that the Listing Nomination Committee, being responsible for the selection of non-prescribed members of the Listing Policy Committee, should not be confined to representatives from the Exchange and the SFC only, but from a broader base of members such as representatives from market practitioners, professional bodies, public and private enterprises, etc. We believe that the Listing Nomination Committee with a broader base of members could ensure a selection of more balanced mix of members within the Listing Policy Committee hence allowing different views within the investment community be equivocally reflected in the decision-making process of the Listing Policy Committee or its sub-committees.

Should you wish to follow up further of the captioned, please feel free to contact me at

Yours faithfully,
For and on behalf of