

**Private and confidential**

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The Listing Division  
Hong Kong Exchanges and Clearing Limited  
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Hong Kong

Attn.: Ms. Anne Chapman

Dear Sirs,

**Proposal to modify model for information submission and dissemination by Main Board and Growth Enterprise Market (GEM) issuers**

We refer to the Exchange's letter dated 18th November, 2005 and the Exposure Paper entitled "Abolition of Requirement for Main Board Issuers to Publish Paid Announcements in Newspapers and Related Matters" (the "Proposal") seeking market views on three specific aspects of the Proposal. We would like to set out below our view on these three aspects and our comments on various aspects of the operational model under the Proposal.

**Comments on the operational model under the Proposal**

*Submission deadline*

We welcome the Exchange's proposed extension in the deadline for submission of electronic copies of documents for publication on the Exchange's website from 9:00 p.m. to 11:00 p.m. However, as the Exchange's electronic publication system only closes for maintenance on weekdays from midnight and the Exchange's statistics indicated that there was approximately another 30% of the electronic copies of pre-vetted announcements submitted for publication before midnight, we believe that it is beneficial to issuers, as well as to the market, if the submission deadline could be extended to "before midnight" instead of "no later than 11:00 p.m."

*Form of summary announcement*

Currently, nearly all the issuers' announcements published in newspapers contain a summary box summarising key information of an announcement, the full text of which appears after the summary box. Accordingly, we would like to suggest that the summary announcement should contain exactly the same information as that in the summary box of a full announcement, apart from other standard disclosures such as the Exchange's disclaimer and reference to the Exchange's website and the issuers' websites. On this basis, we further suggest that summary announcements need not be published again in the Exchange's website and the issuers' websites. We believe that these suggestions have the advantages of (i) avoiding confusion to investors because of the possibility of information in a summary announcement differing from that in a summary box; and (ii) reducing the burden of the Exchange's website to contain too much of data, which could hinder the speed of searching issuers' information from it by investors.

*Headline categories for use with regulatory announcements and other documents*

The Proposal and the rule amendments require issuers to set out in a prominent position at the top of the short-form announcements (if applicable) and all documents required to be published in accordance with rule 2.07C all such headlines as may be appropriate from such list of headlines as the Exchange may from time to time prescribe. However, there is no detail about how issuers and market practitioners would be informed of subsequent revisions in the headlines or where they could refer to for an up-to-date list of headlines. Therefore, we would like to suggest the inclusion of the headline categories for use with regulatory announcements and other documents as a new appendix to the Main Board Listing Rules. Issuers and market practitioners could then have an easy and familiar access to an up-to-date list of headlines for use in the preparation of short-form announcements and documents required to be published in accordance with rule 2.07C.

**Proposed rule amendments**

We set out below our minor comment on the proposed amendments in the Listing Rules for implementation of the Proposal.

*Amendments to Main Board Listing Rules to Implement Summary Announcements*

<u>Rule</u>	<u>Our comments</u>
2.17A(9)(a)(v)	There is no rule 2.17A(9)(f) as referred here.

**Proposed implementation**

We prefer short-form announcement in the form of a summary announcement be adopted during Phase 1 implementation since a substantial portion of the investors in Hong Kong, especially investors at retail level, would still have newspapers as the primary and preferred sources of information. The summary announcement model could provide them a choice of just reading summary information from the newspapers or if they prefer to review the full announcement afterwards, to refer to the Exchange's website or the issuer's website for full details.

**Proposed implementation timetable**

We are neutral to the proposed implementation timetable. We recommend the Exchange to monitor the implementation of Phase 1 of the Proposal and to seek sufficient market views near the end of the nine month period to see if the market will be ready by that time for the complete abolition of paid announcements in the newspapers.

If there is any question related to the above, please contact the undersigned at 2829 9843 or our Mr. Tony Wu at 2829 9846.

Yours faithfully,  
For and on behalf of  
China Resources Enterprise, Limited



Ralph Keung  
Deputy Managing Director