



中電控股  
CLP Holdings

13 January 2006

By Fax and By e-mail (Fax No. 2179 5982)

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The Listing Division  
Hong Kong Exchanges and Clearing Limited,  
11/F., One International Finance Centre,  
1 Harbour View Street, Central,  
Hong Kong.

Attention : Ms. Anne Chapman

Dear Sirs,

**Exposure Paper entitled "Abolition of Requirement for Main Board Issuers to Publish Paid Announcements in Newspapers and Related Matters"**

We refer to the Exchange's letter of 18 November 2005, enclosing an Exposure Paper entitled "Abolition of Requirement for Main Board Issuers to Publish Paid Announcements in Newspapers and Related Matters" in connection with the Exchange's proposed abolition of the requirement for Main Board issuers to publish paid announcements in the newspapers.

As we have submitted in May 2000 in response to the Exchange's earlier consultation paper dated 20 April 2000, we welcome the Exchange's proposal to implement the abolition of paid announcements.

We are strongly in favour of the proposal to abolish the requirement for Main Board issuers to publish paid announcements in the newspapers, and in their place, to publish announcements on the Exchange's and issuers' websites so as to satisfy the information submission and dissemination requirements. Our major considerations for supporting the proposal are set out below :

- the abolition of paid announcements will bring the current mechanisms for information dissemination into line with international practices;
- there is limited communication value in paid announcements as opposed to their significant costs;
- a more cost-effective way of information dissemination has been available since May 2001, namely the Exchange's e-Submission system; and
- the additional workload created to proof-read the paid announcements in order to ensure their accuracy.

中電控股有限公司  
CLP Holdings Limited  
The parent company of  
the China Light & Power Group



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The Exposure Paper requests comments in response to three specific questions. Each of these is addressed below:

Q.1 Do you consider that the envisaged Listing Rule amendments clearly reflect the operational model described in this paper? If not how could these ambiguities be clarified?

The envisaged Listing Rule amendments are pretty clear and we have no comments.

Q.2 Do you consider that the short-form announcement which, as an interim measure, Main Board issuers will be required to publish in the newspapers, should be a summary announcement or a notification?

As an interim measure, we believe that the short-form announcement should be in the form of a notification, rather than summary announcement. The major reasons for this option are set out below :

- Consistency in both contents and format can easily be maintained in notifications;
- There is always a judgmental issue involved in determining what to be included in a summary announcement. To avoid running into the risk of omitting certain key information in a summary announcement which may lead to a potential breach of the Listing Rules, some issuers may choose to continue to publish the full announcement, and if that happens, the purpose of the implementation of the abolition of paid announcements will be defeated; and
- Investors will be encouraged to refer to the full announcements after reading the notifications, thus avoiding the risk of having incomplete or misleading information which a summary announcement might inadvertently present.



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Q.3 Do you support the proposed implementation timetable? If not, please specify your points of disagreement and recommend an alternative implementation timetable.

Based on the proposed implementation timetable, it seems that the total abolition of paid announcements would not occur until at least 15 months after the announcement of proposed Rule changes (six months for Rule changes and operational readiness and nine months for market transition). This seems to be an overly long transitional period, considering the abolition of paid announcements was first proposed in 2000. In order to expedite the implementation, we suggest consideration be given to start the HKEX-EPS Disaster Recovery Project now as there is a strong indication that paid announcements will be abolished.

#### Other Comments

We note under para 2.17A(9)(b) of Amendments to Main Board Listing Rules to implement Summary Announcements and 2.17A(5) of Amendments to implement Notifications that the notification must be of a size of not less than 10 centimetres by 12 centimetres. This is bigger than the requirement for publication of Notice of Annual General Meeting (not less than 8 centimetres by 10 centimetres) as stipulated in Listing Rule 13.37. Given the purpose of the notification is to inform investors of the publication of an announcement on the Exchange's and issuer's websites, we wonder the need for it to be bigger than a Notice of Annual General Meeting.

We welcome the opportunity to comment on the Exposure Paper and support the implementation of total abolition of paid announcements as soon as practicable.

Yours sincerely,

April Chan  
Company Secretary