

13 January 2006

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

BY HAND AND
BY FAX 2179 5982

Attn: Ms Anne Chapman

Dear Sirs,

Re: Exposure Paper on Abolition of Requirement for Main Board Issuers to Publish Paid Announcements in Newspapers and Related Matters

We refer to the captioned paper (the "Exposure Paper"). Definitions and terms used herein, unless otherwise defined, shall bear the same meanings as defined in the Exposure Paper.

We agree in general the proposed abolition of requirement for Main Board issuers to publish paid announcements in newspapers (the "Proposal"). From the market practitioner's perspective, we consider that the Proposal as set out in the Exposure Paper shall be welcomed by listed issuers since (i) it would lower news dissemination-related cost; and (ii) provide the market a consolidated channel of news dissemination, which in turn will benefit the users of such information and the market as a whole.

Nonetheless, there is one fundamental comment we would like to raise on the proposed two-phased implementation of the Proposal. The Proposal provides that, for a transitional period of nine months, Main Board issuers are required to publish a short-form announcement (instead of a full announcement) in newspapers. Views are sought on whether the short-form announcement should be a summary announcement or a notification that serves to notify investors of the publication of an announcement on the Exchange's website and issuer's website.

In this regard, we are particularly concerned that the inherent risks associated with the correct and accurate extraction of relevant information from the full announcement to the summary announcement will be high, given that a significant degree of discretion needs to be exercised by listed issuers during such process. If there is any distortion of disclosure as a result of incomplete or misleading information as contained in the summary announcement and users of such information are placing undue reliance on the summary announcement, there is risk that the market would be misinformed. As such, we are of the view that the notification approach is a better alternative.

Provided that the notification approach is adopted, we suggest stating a cut-off date for the full implementation of the new measure (instead of the proposed two-phased arrangement) since the Exchange, as an ongoing measure, could continue to publish such notification in newspapers in order to keep the market updated of new announcements made by listed issuers.

We are grateful to the Exchange for giving us the opportunity to comment on the Exposure Paper. We understand that our comments may be posted on the Exchange website or referred to in other public documents. Please note that we wish our name to be withheld from such publications.