

6 May 2010

The Securities and Futures Commission
8/F Chater House
8 Connaught Road Central
Hong Kong
Attention: Corporation Finance Division

Fax: 2810 5385

Dear Sir

Re: Consultation on (1) proposal to stop commenting on routine announcements under the Codes on Takeovers and Mergers and Share Repurchases and (2) proposed miscellaneous amendments to the Codes

I refer to the above consultation paper released on 21 April 2010 (the "Consultation Paper"). I am in general agreement with the proposals

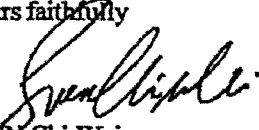
I set out my comments below for your consideration. The item numbers below correspond to the question numbers in Consultation Paper.

1. Yes
2. Yes
3. Yes, please see my comments in the Attachment
4. Yes
5. Yes
6. Yes
7. Yes
8. Yes
9. Yes
10. Yes
11. Yes
12. Yes
13. Yes

I hope my comments above would be helpful to you.

I have no objection for my name and comments to be published, in whole or in part on the SFC's website and/or in other documents to be published by the SFC.

Yours faithfully



SUEN Chi Wai
Solicitor of HKSAR
HKICPA

Encl.



Appendix 2

Practice Note # (PN #): Post-vetting of certain announcements under Rule 12.1

1. Rule 12.1 of the Takeovers Code was amended on [date 2010] to provide that *"[a]ll documents (other than those referred to in the Note to Rule 12.1 below) must be filed with the Executive for comment prior to release or publication and must not be released or published until the Executive has confirmed that it has no further comments thereon..."* (emphasis added to highlight the relevant changes)
2. A new Note to Rule 12.1 was added to provide, among other things, that the Executive will from time to time publish a list of documents that will not normally be regarded as subject to Rule 12.1 and therefore will not be required to be submitted to the Executive for comment prior to release or publication (Post-Vet List). This List can be found in the "Prospectus, Takeovers & Mergers"- "Takeovers and Mergers"- section of the SFC website at www.sfc.hk.
3. The purpose of this Practice Note is to provide guidance to parties and their advisers in respect of announcements which appear in the Post-Vet List.

Commenting process under the Code

4. "Document" is defined in the Codes to include *"any announcement, advertisement or document issued or published by any party to an offer or possible offer in connection with such offer or possible offer other than documents required to be put on display under Notes 1 and 2 to Rule 8 of the Takeovers Code..."*.
5. As stated in Rule 12.1 the Executive will not normally comment on drafts of announcements set out in the Post-Vet List. This change recognises the routine nature of such announcements and serves to reduce the cost and burden of compliance for relevant parties and their advisers.
6. For the avoidance of doubt any "document" that is not specified in the Post-Vet List (for example a circular or an announcement issued under Rule 3 of the Takeovers Code) is still required to be submitted to the Executive for comment before publication in accordance with Rule 12.1.
7. In addition, if an announcement that appears in the Post-Vet List contains additional information relating to other material matters or Code provisions (such as issues relating to profit forecasts or valuations) the announcement would not be considered as falling within the Post-Vet List for the purposes of Note 1 to Rule 12.1. The relevant announcement would therefore be required to be submitted to the Executive for comment under Rule 12.1 of the Takeovers Code in advance of its publication. Parties and their advisers must consult the Executive at the earliest opportunity if there is any doubt as to whether an announcement qualifies for post-vetting.

delete
pls see
Page 27.

disagreed. burden of compliance should not be reduced. On the contrary, issuers and their advisers must be more careful in order to ensure compliance. ²³



noted that in the event that the Executive does not grant a waiver under Note 6 on dispensations from Rule 26 and the top-up transaction proceeds as proposed a mandatory general offer obligation under Rule 26 would be triggered. Please also see the article entitled "Responsibility of financial advisers or placing agents to verify and confirm independence of places in placing and top-up transactions" in the December 2009 Takeovers Bulletin.

Responsibility for documents

13. Finally, the Executive would like to remind parties and their advisers who are involved in Code transactions about new Note 2 to Rule 12 which provides that:

"The Executive's role in the commenting process is no more than a consulting role where the Executive provides assistance in resolving any Code issues raised by the Executive or identified by the parties and their advisers. It is the sole responsibility of the issuer of the document (and its directors and advisers) to ensure that the Codes are fully complied with.

Where the Rules prescribe specific disclosure to be made parties and their advisers are expected to exercise due diligence to ensure that the required information is fully disclosed in the first draft document submitted to the Executive for comment under Rule 12.1.

Most importantly, parties and their advisers should not be under the misconception that by expressing that it has no further comment on a draft announcement or document the Executive is confirming that the announcement or document fully complies with the Codes. The Executive will not verify the accuracy of statements made in documents submitted for comment. If it subsequently becomes apparent that any statement was incorrect, or any document was incomplete, the Executive may require an immediate correction to be issued in addition to considering any possible disciplinary action in accordance with the Codes."

Early consultation with the Executive

14. Parties and their advisers must consult the Executive in advance if there is any doubt as to whether an announcement qualifies for post-vetting.