

EXTENDED BLACKOUT PERIOD DETRIMENTAL TO HONG KONG'S POSITION AS INTERNATIONAL FINANCIAL CENTRE

To: Honourable Executives of Financial Services and the Treasury Bureau of the HKSAR, the Hong Kong Securities and Futures Commission and the Hong Kong Exchanges and Clearing Limited ("HKEx")

DAMAGE TO VIABILITY AND HEALTH OF HONG KONG MARKET

We are a group comprising listed companies in Hong Kong, directors of such listed companies, participants in the securities markets and professional organizations serving the Hong Kong financial industry, who are concerned with the sustainable and healthy development of Hong Kong as an international financial centre. We write to express our strong objection to an amendment to HKEx's Listing Rules* announced recently, which extends the "blackout period" on directors' dealings in their companies' securities from within one month before the announcement of results to the financial year/period end until the announcement of the relevant results. As such, directors could be prohibited from dealing for up to 7 calendar months in a year. For companies reporting quarterly results, the blackout period will last for up to 9 calendar months. In light of the current environment where the financial tsunami is eroding the well being of all industries and sectors in Hong Kong, not only will this amendment damage the continued viability and health of the Hong Kong market, it will also undermine the legitimate rights and functions of directors as investors.

DETERRENT TO EXISTING AND FUTURE LISTINGS ON THE HONG KONG STOCK EXCHANGE

As in other economies in Asia, ownership and management of companies already listed or seeking a listing in Hong Kong are not completely segregated. Directors are often also owners of substantial or controlling interests in the listed companies. The amendment deprives such directors of their legitimate rights as investors and their legitimate expectations of a level playing field. As a result, companies already listed in Hong Kong might relocate to other markets and those contemplating a listing here might decide to list elsewhere. This will inflict damage on Hong Kong's status as an international financial centre.

JEOPARDY TO MARKET LIQUIDITY AND SHAREHOLDER VALUE

Against a backdrop of the worsening financial tsunami, prohibiting directors' dealings for an extended period of time will reduce trading volume further, jeopardizing an important source of market liquidity and stable support for shareholder value in unanticipated crises or events. This creates a window of opportunities for corporate snipers to destroy value for both major and small shareholders.

DISCOURAGE INDIVIDUALS FROM BECOMING DIRECTORS OF LISTED COMPANIES

Directors of listed companies expend their time and expertise seeking to maintain and improve return for shareholders. The amendment penalizes them by further restricting their freedom to deal in their companies' shares. It will discourage talented individuals of the right calibre from becoming directors of listed companies.

CURRENT INSIDER TRADING RULES ADEQUATE

We believe that the existing insider dealing provisions under the Securities and Futures Ordinance and the protection against unauthorized use of price sensitive information under the relevant rules of HKEx already provide adequate scrutiny and safeguard on directors' dealings. Directors are also required to make full disclosure for their dealings. The Listing Rules have outlined explicitly that HKEx regards it as highly desirable that directors should hold securities in companies. Further manoeuvres to the existing regime in this regard constitute a blatant regulatory overshoot.

CONSULTATION PROCESS QUESTIONABLE AND HASTY

In addition, we have strong reservations as to whether the public consultation on such an important amendment has been conducted and concluded properly. There was not adequate communication to listed companies and the public to ensure that they are properly informed of such proposal so as to respond or raise objection if they so wish. There was tremendous objection to the proposal with substantive and well-elaborated arguments, and yet no proper evaluation of the substance of the responses was made. We consider it extremely inappropriate that the HKEx concluded that this amendment of such grave impact should proceed in such haste.

WE HEREBY URGE HKEX TO WITHHOLD THIS AMENDMENT FOR FURTHER CONSULTATION.

A group concerned with the sustainable and healthy development of Hong Kong as an international financial centre

Hong Kong Investor Relations Association	Coastal Greenland Limited	HKR International Limited	New World Mobile Holdings Limited	Tai Sang Land Development Limited
Hong Kong Stockbrokers Association	Computer And Technologies Holdings Limited	Hon Kwok Land Investment Company, Limited	Ngai Lik Industrial Holdings Limited	Taifook Securities Group Limited
The Chamber of Hong Kong Listed Companies	Continental Holdings Limited	Hong Kong Aircraft Engineering Company Limited	NWS Holdings Limited	Techtronic Industries Company Limited
The Hong Kong Institute of Chartered Secretaries	Convenience Retail Asia Limited	Hong Kong Ferry (Holdings) Company Limited	Oriental Press Group Limited	The Cross-Harbour (Holdings) Limited
The Hong Kong Institute of Financial Analysts and Professional Commentators Limited	Cosmopolitan International Holdings Limited	Hongkong Electric Holdings Limited	Paliburg Holdings Limited	The Hong Kong and China Gas Company Limited
The Real Estate Developers Association of Hong Kong	Crocodile Garments Limited	Hopewell Highway Infrastructure Limited	Paul Y. Engineering Group Limited	The Ming An (Holdings) Company Limited
Ajisen (China) Holdings Limited	Decca Holdings Limited	Hopewell Holdings Limited	PCCW Limited	The United Laboratories International Holdings Limited
Alibaba.com Limited	Deson Development International Holdings Limited	Hua Yi Copper Holdings Limited	PYI Corporation Limited	The Wharf (Holdings) Limited
Allied Group Limited	Dickson Concepts (International) Limited	Hutchison Harbour Ring Limited	Qin Jia Yuan Media Services Company Limited	Tian An China Investments Company Limited
Allied Properties (H.K.) Limited	DIGITALHONGKONG.COM	Hutchison Telecommunications International Limited	Radford Capital Investment Limited	Times Ltd.
Aptus Holdings Limited	Dore Holdings Limited	Hutchison Whampoa Limited	Recruit Holdings Limited	TOM Group Limited
Artel Solutions Group Holdings Limited	Dynamic Holdings Limited	i-Cable Communications Limited	Regal Hotels International Holdings Limited	Towngas China Company Limited
Asia Commercial Holdings Limited	Easyknit Enterprises Holdings Limited	Integrated Distribution Services Group Limited	Regal Real Estate Investment Trust	Trasy Gold Ex Limited
Asia Orient Holdings Limited	Easyknit International Holdings Limited	iOne Holdings Limited	Rising Development Holdings Limited	Tsim Sha Tsui Properties Limited
Asia Satellite Telecommunications Holdings Limited	Emperor Capital Group Limited	ITC Corporation Limited	Rontex International Holdings Limited	Unity Investments Holdings Limited
Asia Standard Hotel Group Limited	Emperor Entertainment Group Limited	ITC Properties Group Limited	S E A Holdings Limited	Value Convergence Holdings Limited
Asia Standard International Group Limited	Emperor Entertainment Hotel Limited	Jinhui Holdings Company Limited	Sa Sa International Holdings Limited	Vinda International Holdings Limited
Bestway International Holdings Limited	Emperor International Holdings Limited	Johnson Electric Holdings Limited	Sau San Tong Holdings Limited	Vision Tech International Holdings Limited
BIG Media Group Limited	Emperor Watch & Jewellery Limited	K. Wah International Holdings Limited	SCMP Group Limited	Vitasoy International Holdings Limited
Blu Spa Holdings Limited	Enerchina Holdings Limited	Kantone Holdings Limited	SCUD Group Limited	VTech Holdings Limited
C C Land Holdings Limited	EPI (Holdings) Limited	Kenford Group Holdings Limited	See Corporation Limited	Wardery International Holdings Limited
Capital Strategic Investment Limited	eSun Holdings Limited	Kerry Properties Limited	Shangri-La Asia Limited	Wheelock and Company Limited
Cathay Pacific Airways Limited	Excel Technology International Holdings Limited	King Fook Holdings Limited	Shell Electric Mfg. (Holdings) Company Limited	Wheelock Properties Limited
CATIC International Holdings Limited	Far East Consortium International Limited	Kingmaker Footwear Holdings Limited	Shenzhen Investment Limited	Willie International Holdings Limited
Century City International Holdings Limited	Far East Holdings International Limited	Kith Holdings Limited	Shenzhou International Group Holdings Limited	Wing On Company International Limited
Champion Real Estate Investment Trust	Far East Hotels And Entertainment Limited	Kong Sun Holdings Limited	Shougang Concord Century Holdings Limited	Wing On Travel (Holdings) Limited
Champion Technology Holdings Limited	Forefront Group Limited	KWG Property Holding Limited	Shougang Concord Grand (Group) Limited	Winsor Properties Holdings Limited
Cheuk Nang (Holdings) Limited	Fountain Set (Holdings) Limited	Lai Fung Holdings Limited	Shougang Concord International Enterprises Company Limited	WLS Holdings Limited
Cheung Kong (Holdings) Limited	Freeman Corporation Limited	Lai Sun Development Company Limited	Shougang Concord Technology Holdings Limited	Y.T. Realty Group Limited
Cheung Kong Infrastructure Holdings Limited	Galaxy Entertainment Group Limited	Lai Sun Garment (International) Limited	Shui On Construction and Materials Limited	Yu Ming Investments Limited
Chevalier International Holdings Limited	Get Nice Holdings Limited	Lee Hing Development Limited	Shui On Land Limited	Yugang International Limited
Chevalier Pacific Holdings Limited	GFT Holdings Limited	Li & Fung Limited	Shun Tak Holdings Limited	A Leslie Lam
Chi Cheung Investment Company, Limited	Glorious Sun Enterprises Limited	Li Ning Company Limited	Sino Gas Group Limited	Chan Fut Yan
China Chief Cable TV Group Limited	Gold Peak Industries (Holdings) Limited	Lifestyle International Holdings Limited	Sino Hotels (Holdings) Limited	Chan Kwok Chuen
China Financial Leasing Group Limited	Golden Eagle Retail Group Limited	Liu Chong Hing Investment Limited	Sino Land Company Limited	Chau Mei Wah
China Mining Resources Group Limited	Golden Harvest Entertainment (Holdings) Limited	Luen Thai Holdings Limited	Sinolink Worldwide Holdings Limited	Cheung Chi Kit
China Power New Energy Development Company Limited	Golden Resorts Group Limited	Magnificent Estates Limited	SJM Holdings Limited	Cheung Hon Kit
China Renji Medical Group Limited	G-Prop (Holdings) Limited	Mandarin Entertainment (Holdings) Limited	Smart Rich Energy Finance (Holdings) Limited	David Tsang
China Sci-Tech Holdings Limited	GR Vietnam Holdings Limited	Mascotte Holdings Limited	Solartech International Holdings Limited	Dr. David K.P. Li, Chairman & Chief Executive of The Bank of East Asia, Ltd.
China Strategic Holdings Limited	Great China Holdings Limited	Mei Ah Entertainment Group Ltd.	South China (China) Limited	Dr. Lo Wing Yan, William
China Timber Resources Group Limited	Great Eagle Holdings Limited	Melbourne Enterprises Limited	South China Financial Holdings Limited	Dr. Patrick Y B Fung
China Vanguard Group Limited	Green Global Resources Limited	Melco International Development Limited	South China Holdings Limited	Fung Tsun Pong
China Yunnan Tin Minerals Group Company Limited	Guangzhou R&F Properties Co., Ltd.	Melco Lot/Ventures Limited	South China Land Limited	Lai Tsan Tung, David
Chinese Estates Holdings Limited	Guoco Group Limited	Mexan Limited	SPG Land (Holdings) Limited	Lee Hon Chiu
Chinney Alliance Group Limited	Haitian International Holdings Limited	Midas International Holdings Limited	Starlight International Holdings Limited	Lee Kit Wah
Chinney Investments, Limited	Hang Lung Group Limited	Midland Holdings Limited	Sun Hung Kai & Co. Limited	Lee Tak Lun
Chong Hing Bank Limited	Hang Lung Properties Limited	Midland IC&I Limited	Sun Hung Kai Properties Limited	Louie Chow
Chuang's China Investments Limited	Hanny Holdings Limited	Miramar Hotel and Investment Company, Limited	Sun Innovation Holdings Limited	Ma Chi Kong, Karl
Chuang's Consortium International Limited	Harbour Centre Development Limited	Mongolia Energy Corporation Limited	SUNeVision Holdings Ltd.	Michael Tse
Chun Wo Development Holdings Limited	Henderson Investment Limited	New Media Group Holdings Limited	Sunlight Real Estate Investment Trust	Stephan Lau
CK Life Sciences Int'l., (Holdings) Inc.	Henderson Land Development Company Limited	New World China Land Limited	Sunny Global Holdings Limited	Tung Chee Chan
Climax International Company Limited	Heritage International Holdings Limited	New World Department Store China Limited	Swire Pacific Limited	Winston Caipitor Chuck
	Hidili Industry International Development Limited	New World Development Company Limited	Ta Yang Group Holdings Limited	Yan Ha Hung, Loucia

Names of listed companies arranged in alphabetical order

*Note: Listing Rules refer to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.