

Bills Committee  
Legislative Council Building  
8 Jackson Road  
Central  
Hong Kong

Mr. Lee Cho-jat  
Chairman  
The Newspaper Society of Hong Kong  
Room 904, SUP Tower  
75 King's Road  
North Point  
Hong Kong

June 19, 2001

Dear Sirs,

**Bills Committee on  
Securities and Futures Bill and Banking (Amendment) Bill 2000**

We refer to your letter to the Chairman of the Newspaper Society of Hong Kong regarding clauses 268 and 290 of the captioned Bill. As both a listed company and newspaper publisher in Hong Kong, we believe these two clauses will have profound effect on our company's daily operation and would like to express our opinion at two capacities, as a listed company and a newspaper publisher.

As a listed company, the company and its directors are governed by the Listing Rules of the Stock Exchange of Hong Kong (the "SEHK") and the Takeover Code of the Securities and Futures Commission (the "SFC") to disclose all material or price sensitive information to the public as soon as practicable. Since time is an essence, the listed company and its directors will usually choose to disclose as much as they know in order to avoid any breach of the Listing Rules or the Takeover Code. However, in certain occasions, the listed company and its directors shall disclose or omit to disclose certain information based on the advice of the officers of the Listing Division of the SEHK or the Executive of the SFC. At such, such

disclosure may still be proved to be misleading or false. Therefore, we believe that imposing criminal liability for negligently disseminating false or misleading information under such circumstances will be unfairly harsh.

As a newspaper publisher, it is our daily and ordinary business to disseminate information by ways of (1) issuing or reproducing materials provided or prepared by others with or without any amendment, (2) producing materials by consolidating different sources of information, or (3) report, analysis or research materials prepared by the company. Reporting the truth to the general public is always our commission to the publication business. Newspaper is a daily publication and timely reporting is essential in order to survive in the keen competing publishing industry in Hong Kong. It is sometimes very difficult for a newspaper publisher to guarantee no false or misleading information published or not omitting any material facts. All the materials published are to our best knowledge at the time of publishing and are for the readers' reference only, not to induce, prevent or affect them in any way on their investment decisions. Therefore, it is inappropriate to impose criminal liability on newspaper publishers for negligently disseminating false or misleading information.

Thank you for your attention.

Yours faithfully,

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Cheung Kwok Wah  
Deputy Chairman and Managing Director