



14 January 2010

Miss Polly YEUNG
Clerk to Subcommittee to Study Issues Arising from
Lehman Brothers-related Minibonds and Structured Financial Products
Legislative Council
8 Jackson Road
Hong Kong

Dear Miss YEUNG,

**Subcommittee to Study Issues Arising from Lehman Brothers-related
Minibonds and Structured Financial Products**

Thank you for your letter dated 11 January 2010 seeking to ascertain from me my considerations and bases of the first sentence of the first paragraph of my letter to Mr Martin Wheatley, Chief Executive Officer of the Securities and Futures Commission dated 12 June 2009, which reads "(T)he current serious public controversy revolving round the Lehman Minibonds emanated from the Securities and Futures Commission ("SFC") authorizing the registration of the prospectus and the issue of the marketing materials for the Minibonds".

I have intended merely to denote the sequential relationship between SFC's authorization of the registration of the prospectus and the issue of the marketing materials for the Minibonds; and the subsequent controversy revolving round the Lehman Minibonds.

A handwritten signature in black ink, appearing to read "John C Tsang", written in a cursive style.

中華人民共和國香港特別行政區政府財政司司長辦公室
Office of the Financial Secretary of the Hong Kong Special Administrative Region Government
People's Republic of China