



By Fax: 2840-0797

May 11, 2012

Bills Committee on Companies Bill  
Legislative Council  
HKSAR Government  
c/o Legislative Council Secretariat

Dear Sirs,

Re: Written Submission on clause 399 of the Companies Bill

Thank you for inviting the Chamber of Hong Kong Listed Companies ("CHKLC") to comment on the proposed changes to clause 399 of the Companies Bill ("Offences relating to contents of auditor's report").

CHKLC's concern about this clause is that it might create an impression that employees of the company being audited (as opposed to the auditors') are covered by the law. We believe this is not the intent of the law. We consider it is important to spell out clearly that this clause is only applicable to auditors and their employees and agents but not those of the company. We would therefore like to propose for your consideration the following language to the new clause 399(2)(a)(ii) which may address our concerns:

"every employee and agent of the auditor who is eligible to be appointed as auditor of the company in accordance with section 384, and has done any work or provided any service in relation to the preparation of the auditor's report in his capacity as employee or agent of the auditor"

Under the new language, the eligibility is limited to CPAs with a practicing certificate, other than employees or officers of the company (- first limb of protection) and that the work must be done, or the services must be provided, by the employees or agents of the auditors (and not the company concerned) (- second limb of protection).



香 港 上 市 公 司 商 會  
THE CHAMBER OF HONG KONG LISTED COMPANIES

I hope the Bills Committee would give our recommendation due consideration.

Yours faithfully

For and on behalf of

The Chamber of Hong Kong Listed Companies

A handwritten signature in blue ink, appearing to read 'Mike Wong', is written over the printed name.

Mike Wong

Chief Executive Officer