



恒基兆業地產有限公司
HENDERSON LAND DEVELOPMENT COMPANY LIMITED

6 January 2012

Companies Bill Team
Financial Services and the Treasury Bureau
15/F., Queensway Government Offices
66 Queensway
Hong Kong

Attn : Mr. Arsene Yiu

Dear Sirs,

Companies Bill – Consultation on the Qualifying Criteria for Private Companies to Prepare Simplified Financial and Directors' Reports (the "Consultation")

We refer to your letter dated 6 December 2011 in relation to the Consultation.

We concur with the view that, for private companies, the financial reports are primarily addressed to the members of the companies. If the majority of members agree, it is not necessary to force a company to adopt the full HKFRS even if it is relatively large in size.

In view of the above, we support Option 2 that private companies/the holding companies of groups meeting the size criteria can automatically qualify for simplified reporting and large private companies/groups can opt in if members holding at least 75% of the voting rights so resolve but with a suggested fine-tuning by replacing the words "no other member objects" with the words "no member(s) holding more than 10% of the voting rights or in the nominal value in the issued share capital objects". This fine-tuning is in alignment with the "10% threshold objection" similar to that now in Rule 2 of The Codes on Takeovers and Mergers and Share Repurchases and S.47G and S.64 of the Companies Ordinance of Hong Kong.

Yours faithfully,
For and on behalf of
Henderson Land Development Co. Ltd.

Timon Liu
Company Secretary