CONFIDENTIAL

Our Ref : G16/1C
B1/15C

16 August 2000

The Chief Executive
All authorized institutions which are exempt dealers

Dear Sir / Madam,

Electronic Initial Public Offering ("eIPO")

I am writing to inform you that the Securities and Futures Commission ("SFC") has recently issued guidelines (the "guidelines") setting out the requirements that should be complied with by eIPO service providers in collecting applications from their clients or the public for securities in an IPO. The Federation of Share Registrars Limited has also prepared a set of operational procedures (the "operational procedures") which must be followed by the eIPO service providers when submitting application information to the share registrar and the receiving banks. The guidelines and operational procedures are attached for your information.

Your institution is expected to take appropriate steps to ensure compliance with the guidelines and operational procedures, and notify the HKMA, if it intends to provide eIPO services to its customers and members of the public.

Yours faithfully,

Y K Choi
Executive Director
(Banking Supervision)

Encl.