

October 7, 2005

**CONFIDENTIAL TREATMENT REQUESTED
PURSUANT TO 17 C.F.R. §200.81**

Mr. James A. Brigagliano
Assistant Director
Division of Market Regulation
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: **Offer by Profit Eagle Limited for the shares of Superdata Software Holdings Limited**

Dear Mr. Brigagliano:

We are writing on a confidential basis on behalf of our client, Profit Eagle Limited (“**Profit Eagle**” or the “**Acquiror**”), a recently-organized exempted company incorporated in the Cayman Islands with limited liability and not listed on any securities exchange. Profit Eagle has been formed at the direction of certain members of the management of Superdata Software Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and with ordinary shares listed on the Growth Enterprises Market (the “**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) (such company, “**Superdata**” or the “**Target**”).

The Acquiror proposes to conduct an offer (the “**Offer**”) for all of the outstanding ordinary shares of the Target (the “**Target Shares**”) other than those shares held by the Acquiror or parties acting in concert with it (as defined in the Hong Kong Code on Takeovers and Mergers (the “**Code**”). Shareholders of such Target Shares not held by the Acquiror or parties acting in concert with it are referred to herein as the “**Offerees**”. In such Offer, Offerees (other than certain

U.S. persons as described below) generally will be permitted to elect as consideration for tendering their Target Shares either ordinary shares of the Acquiror (the “**Acquiror Shares**”) or cash.

The Acquiror intends to make a formal offer to the Target on October 7, 2005, which will trigger the requirement for the Acquiror and Target to issue a joint press announcement with respect to the Offer (the “**Announcement**”). The Acquiror intends to distribute documents relating to the Offer (the “**Offer Documents**”) to relevant Target shareholders on or about November 18, 2005. The Acquiror and parties acting in concert with the Acquiror presently own approximately 15% of the outstanding ordinary share capital of the Target.

In order to comply with Hong Kong securities laws and in accordance with customary practice in Hong Kong, the Offer will be made outside the United States on behalf of the Acquiror by its financial advisor, Morgan Stanley Dean Witter Asia Limited, acting solely as agent for the Acquiror (“**Advisor**”). The Offer will be made available in the United States by the Acquiror. The Offer is not being made pursuant to any agreement with the Target.

Under the terms of the Offer the Advisor, on behalf of and solely as agent for the Acquiror, or the Acquiror, as appropriate, will offer the Offerees a choice of a certain cash amount in Hong Kong dollars or one Acquiror Share for each Target Share tendered. The cash amount will be determined by October 7, 2005 when the Acquiror makes a formal offer to the Target. Except as described below under “II. Proposed Structure of the Offer, Management Purchase and Squeeze Out — A. The Offer”, holders of Target Shares who are “U.S. persons”, as defined in Rule 902 under the Securities Act of 1933, as amended (the “**Securities Act**”), will not be permitted to elect Acquiror Shares as consideration, but instead, will only be permitted to elect to receive cash as consideration. The closing price of Target Shares sold on the Hong Kong Stock Exchange on September 30, 2005 was approximately HK\$ 1.82.

The consummation of the Offer will be conditional upon the conditions described under “II. Proposed Structure of the Offer, Management Purchase and Squeeze Out — A. The Offer”.

In addition, in connection with, but outside the Offer, some members of the management of the Target who are also directors and management members of the Acquiror intend to sell Target Shares owned by them to the Acquiror in exchange for Acquiror Shares or cash (the “**Management Purchase**”). Prior to the Announcement, such members of Target management (the “**Management Purchasers**”) will give an irrevocable undertaking (as described further below) to the Acquiror in respect of the Management Purchase, and the purchase is scheduled to occur upon the Offer becoming unconditional. The consummation of

the Management Purchase will be conditional upon the same conditions as those for the consummation of the Offer, and the share exchange ratio and cash consideration will be the same as that offered in the Offer and the Squeeze Out (as defined below).

We understand further that Rule 13 of the Code requires the Acquiror to make an appropriate offer or proposal to holders of options. The Target has two employee share option schemes. The first is referred to as the “**Pre-IPO Share Option Scheme**” and the second is referred to as the “**Share Option Scheme**”. Options for Target Shares granted under these two employee share option schemes are referred to collectively as the “**Target Options**” and holders of such options are referred to collectively as the “**Option Holders**”. All Target Options will become exercisable for a period of 21 days following the date upon which the Offer becomes or is declared unconditional (the “**Unconditional Date**”). Target Shares resulting from the exercise of Target Options during such period may also be tendered as part of the Offer in exchange for cash consideration or Acquiror Shares. Also in connection with, but outside the Offer, the Acquiror will invite Option Holders to submit to the Target for cancellation such Target Options in consideration for a certain cash amount in Hong Kong dollars or the grant of an option to acquire Acquiror Shares (“**Acquiror Options**”) (the “**Option Cancellation Offer**”). The Option Cancellation Offer will not be part of the Offer. The cash consideration per Target Share subject to Target Options submitted for cancellation in the Option Cancellation Offer will be equal to the cash consideration offered for each Target Share tendered pursuant to the Offer, less the exercise price per Target Share under the Target Options. One Acquiror Option would be offered in consideration for each Target Option submitted for cancellation. There are no Option Holders that are U.S. persons. The Option Cancellation Offer will only be made if the Offer becomes or is declared unconditional.

If it is successful in acquiring 90% or more of the outstanding Target Shares held by the Offerees through the closing of the Offer, the Acquiror intends to use the compulsory acquisition provisions of the Cayman Islands Companies Law to “squeeze out” the remaining Target shareholders who did not tender their Target Shares (the “**Squeeze Out**”). Target shareholders (other than certain U.S. persons as described below, who will only be permitted to receive cash as consideration) may elect to receive as consideration the same Hong Kong dollar cash amount as offered pursuant to the Offer or one Acquiror Share for each Target Share compulsorily acquired from them in the Squeeze Out. As a result of the completion of the Squeeze Out, the Target will become a wholly-owned subsidiary of the Acquiror.

Target Shares sold in the Management Purchase, tendered in the Offer or compulsorily acquired in the Squeeze Out will be subject to the same share exchange ratio for Acquiror Shares and cash consideration.

The Acquiror has provided us with, and authorized us to make on their behalf, the factual representations set forth in this letter.

As previously discussed with members of the staff (the “**Staff**”) of the Securities and Exchange Commission (the “**Commission**”), we are requesting exemptive relief from Rule 14e-5 under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), for certain on and off market purchases of Target Shares made prior to and during the conduct of, but outside of the terms of, the Offer and in accordance with Hong Kong rules and practice, including but not limited to purchases of Target Shares made from Management Purchasers outside of the United States during the conduct of, but outside of the terms of, the Offer.

I. Factual Background

A. Superdata

The principal business of the Target is the development and sale of integrated business management software and off-the-shelf packaged software for small-to-medium-sized enterprises in the People’s Republic of China. The Target is incorporated as an exempted company in the Cayman Islands with limited liability, and its headquarters and principal place of business are in Hong Kong.

The published audited consolidated profit after tax of the Target for the year ended December 31, 2004 was approximately RMB 32.4 million, equivalent to approximately RMB 8.09 per share. The published audited consolidated net assets of the Target as of December 31, 2004 were approximately RMB 90.8 million.

Based on the audited consolidated financial statements of the Target for the year ended December 31, 2004, there were 402,837,043 issued Target Shares. The Target Shares are not listed on any stock exchange in the United States. The Target Shares are currently listed only on the GEM of the Hong Kong Stock Exchange. As of September 30, 2005, the Target had a market capitalization of approximately HK\$ 733.5 million. The closing price of Target Shares sold on the Hong Kong Stock Exchange on September 30, 2005 was approximately HK\$ 1.82.

The Target is a foreign private issuer as defined in Rule 3b-4(c) promulgated under the Exchange Act and has no class of securities registered under Section 12 of the Exchange Act. Furthermore, the Target does not have a

sponsored program in place for American Depositary Receipts evidencing Target Shares.

Based on (i) the share register of the Target dated September 30, 2005 and (ii) publicly available information, the Acquiror believes that U.S. beneficial holders may hold more than 10% but less than 40% of the issued and outstanding Target Shares. Three registered shareholders which are U.S. persons — IDG Technology Venture Investment, IDG Technology Venture Investment Inc. and Intuit, Inc. (together, the “**Major U.S. Shareholders**”) — held approximately 3.72%, 21.34% and 4.29%, respectively, of outstanding Target Shares. Each of the Major U.S. Shareholders is an “accredited investor”, as defined in Rule 501 under the Securities Act, but likely not a “qualified institutional buyer”, as defined in Rule 144A(a)(1) under the Securities Act. In addition to the Major U.S. Shareholders, there is a remote possibility that there are other holders of Target Shares who are resident in the United States or are “U.S. persons”, as defined in Rule 902 under the Securities Act (together with the Major U.S. Shareholders, the “**U.S. Holders**”). The Acquiror believes that it has made all reasonable inquiry into the beneficial share ownership of the Target and that it has exhausted all practical means likely to produce additional reliable information regarding beneficial holders of Target Shares with a U.S. residence.

In addition, as of September 30, 2005, under the Pre-IPO Share Option Scheme, there were outstanding Target Options to subscribe for a total of 13,890,368 Target Shares at an exercise price of HK\$ 0.10 and 8,092,082 Target Shares at an exercise price of HK\$ 0.26. All of the Target Options under the Pre-IPO Share Option Scheme expire on June 5, 2013. As of September 30, 2005, under the Share Option Scheme, there were outstanding Target Options to subscribe for a total of 30,000,000 Target Shares at an exercise price of HK\$ 0.70. There are no Option Holders that are U.S. persons.

Management Purchasers collectively held approximately 15% of outstanding Target Shares as of September 30, 2005. No Management Purchaser is resident in the United States, and any entity through which any such Management Purchaser holds Target Shares to be purchased in the Management Purchase is not a U.S. person.

B. Profit Eagle

The Acquiror is an exempted company incorporated in the Cayman Islands with limited liability on October 13, 2004 by certain members of management of the Target for the principal purpose of acquiring Target Shares. The Acquiror is not listed on any stock exchange, and it has not entered into any obligations other than in connection with the Offer and the financing thereof. The Acquiror is a foreign private issuer as defined in Rule 3b-4(c) under the Exchange

Act, has no class of securities registered under Section 12 of the Exchange Act, and is not subject to the periodic reporting requirements of the Exchange Act. Furthermore, the Acquiror does not have a program in place for American Depository Receipts evidencing Acquiror Shares, and has no intention of sponsoring such a program.

II. Proposed Structure of the Offer, Management Purchase and Squeeze Out

The following descriptions of the Offer, Management Purchase and Squeeze Out are based upon discussions with Slaughter and May, Hong Kong counsel for the Acquiror and the Management Purchasers.

A. The Offer

In the Offer, Offerees that validly elect to tender their Target Shares will generally be permitted to elect as consideration either one Acquiror Share or a certain cash amount in Hong Kong dollars per Target Share validly tendered. The cash amount will be determined by October 7, 2005 when the Acquiror makes a formal offer to the Target. Notwithstanding the foregoing, and as described further below, Offerees that are U.S. persons other than the Major U.S. Shareholders will only be permitted to elect cash as consideration — such Offerees will not be permitted to elect to receive Acquiror Shares.

The Offer will be structured as a single offer made concurrently in Hong Kong and in the United States, as well as in other jurisdictions where the Offer may legally be made.

The Offer will be structured to comply with the applicable provisions of the Code, the rules and procedures established by the Hong Kong Securities and Futures Commission, the primary securities regulator in Hong Kong (the “SFC”) and administered by the Hong Kong Takeovers and Mergers Panel (the “Takeovers Panel”), and the Rules Governing the Listing of Securities on the GEM (the “GEM Listing Rules”). In addition, except as otherwise requested herein, the Offer will be structured to comply with Section 14(e) of the Exchange Act and the rules and regulations promulgated thereunder. The Offer is not subject to Section 14(d) of the Exchange Act or Regulation 14D thereunder since no class of securities of the Target is registered under Section 12 of the Exchange Act.

Under the Code, the Offer must be open to all shareholders of the Target, including the U.S. Holders. In addition, the Offer Documents must be dispatched to all shareholders. Notwithstanding the two previous sentences, a waiver can be obtained from the SFC from certain provisions in the Code permitting the Acquiror to take measures designed to prevent the Offer Documents from being

disseminated to U.S. Holders. However, we understand that the requirement to send the Offer Documents to all shareholders only applies to registered shareholders, and the only registered shareholders that are U.S. persons are the Major U.S. Shareholders. Thus, subject to the Acquiror being able to rely on Section 4(2) of the Securities Act in relation to offers and sales of Acquiror Shares to the Major U.S. Shareholders, it will be able to comply with these requirements of the Code.

In structuring the Offer, it is the Acquiror's intention to allow for participation by U.S. Holders, subject to the restrictions described below, while complying with the generally applicable requirements in both the United States and Hong Kong to the greatest extent practicable.

Because the Acquiror does not intend to register Acquiror Shares under the Securities Act, it does not intend to offer Acquiror Shares publicly to U.S. Holders. However, the Acquiror has engaged in individual discussions with the Major U.S. Holders, all of whom are accredited investors to whom the Acquiror may make a private placement under Section 4(2) of the Securities Act, and may issue Acquiror Shares or cash to Major U.S. Shareholders in exchange for Target Shares in accordance with the exemption from registration contained in Section 4(2) (the "**Accredited Investor Placement**"). In addition, prior to the Announcement, the Acquiror and the Advisor will obtain from each of the Major U.S. Shareholders a deed of irrevocable undertaking obligating such shareholders, subject to the occurrence of the Announcement, to accept the Offer no later than three days after posting of the Offer Documents (the "**Irrevocable Undertaking**"). Under the Code, the details of the Irrevocable Undertaking must be disclosed in the Announcement and the Offer Documents, and the signed deed of irrevocable undertakings must be made available for inspection, which will likely be at the offices of Slaughter and May in Hong Kong, during the period that the Offer remains open for acceptances.

Under Hong Kong law, an irrevocable undertaking is an agreement of a shareholder to accept an offer when made and, in some cases not to accept or solicit a competing offer during the pendency of the first offer. An irrevocable undertaking is not treated by the Code as a purchase, and the Code permits bidders to enter into irrevocable undertakings at any time, subject to certain limitations, including as to price, as described further below under "III. Purchases Outside the Offer and Rule 14e-5". We note for emphasis that any Target Shares subject to the Irrevocable Undertaking by the Major U.S. Shareholders are purchased in the Offer, and consequently, count towards satisfying the minimum acceptance condition under the Code. Acceptance of the Offer in respect of Target Shares which are the subject of the Irrevocable Undertaking by the Major U.S. Shareholders represent tenders subject to both the terms and conditions of the Offer and the Code. No additional consideration will be paid to these Major U.S.

Shareholders and they will receive their offer consideration at the same time as the other Offerees that accept the Offer.

We thus note that we are not requesting relief in respect of the Irrevocable Undertakings or the Accredited Investor Placement for the following reasons: (1) the Irrevocable Undertakings are entered into prior to the Announcement, and are therefore not arrangements to purchase Target Securities entered into from the time of public announcement of the Offer until the Offer expires and (2) the Major U.S. Shareholders entering into the Irrevocable Undertakings will receive their offer consideration as part of the Offer, and at the same time as the other Offerees that accept the Offer.

We also note that GEM Listing Rules require the Target to post the Announcement in English to the website of the Hong Kong Stock Exchange. We have been advised by Hong Kong counsel to the Acquiror that the website is structured in a manner that does not permit access by U.S. persons to be restricted.

The Offer Documents will be structured so that U.S. Holders other than the Major U.S. Shareholders may elect to tender their Target Shares in exchange for cash consideration only, and may not elect to receive Acquiror Shares.

Offerees who wish to accept the Offer must agree in the acceptance form to be bound by the terms of the Offer, which provides that holders of Target Shares who elect to receive Acquiror Shares as consideration must represent and warrant that they are not (and are not acting on a non-discretionary basis on behalf of, or otherwise on instructions from) U.S. Holders unless otherwise indicated on the acceptance form.

Each Offeree will receive Offer Documents containing a statement that, subject to the terms of any exemptive relief granted by the Commission, the Acquiror, its affiliates and its nominees and brokers (acting as agents) may make certain purchases of, or arrangements to purchase, Target Shares outside the United States during the period in which the Offer remains open for acceptance. The Offer Documents will also specifically describe the Management Purchase. The Offer Documents will further state that in accordance with the requirements of Rule 14e-5 and with any exemptive relief granted by the Commission, such purchases, or arrangements to purchase, must comply with applicable Hong Kong law and stock exchange rules, including the Code, the rules and procedures established by the SFC and the GEM Listing Rules.

The Announcement is expected to be made in Hong Kong after the Acquiror makes a formal offer to the Target on October 7, 2005 and as soon as the form of the Announcement is approved by the SFC and the Hong Kong Stock

Exchange. The Offer will be made pursuant to Offer Documents which will comply with the rules and regulations of the Code. Pursuant to Rule 8.2 of the Code, the Offer Documents must be mailed to all holders of Target Shares within 35 calendar days of the Announcement, which mailing is expected to be on or before November 18, 2005.

The Code provides that the Offer must remain open for acceptances for at least 21 calendar days after posting of the Offer Documents, and the latest date by which the Offer may become or be declared unconditional as to acceptances will be 60 calendar days after posting the Offer Documents (unless the Takeovers Panel has granted an extension of such timetable, where for example a competing offer has been announced or the board of directors of the Target has agreed to an extension). In order to comply with Regulation 14E, however, the Offer will remain open for an initial period of not less than 20 U.S. business days and for such additional period or periods as may be determined by the Acquiror or as may be mandated by the provisions of Regulation 14E or the Code.

Once the Offer becomes or has been declared wholly unconditional (e.g., all conditions to the Offer have been satisfied or, where possible, waived), which, pursuant to Rule 15.7 of the Code, must be no later than 21 calendar days after the date the Offer has become or has been declared unconditional as to acceptances or the first closing date (whichever is the later) unless the Takeovers Panel agrees to a later date, the Acquiror must accept all Target Shares that are validly tendered and not withdrawn during the initial offer period, and must, pursuant to Rule 20.1 of the Code, pay for such accepted Target Shares within 10 calendar days. If the Offer becomes or is declared unconditional as to acceptances, the Offer must, in order to comply with Rule 15.3 of the Code, remain open for acceptances for at least 14 calendar days thereafter and may remain open for such longer period as the Acquiror deems appropriate.

The consummation of the Offer will be conditional upon the following:

- receipt of valid acceptances by Offerees in respect of Target Shares which will result in the Acquiror holding no less than 90% of the voting rights attached to the Target Shares that are the subject of the Offer; and
- receipt of approval by the Offerees for the delisting of Target Shares from the GEM.

The Offer is not made pursuant to any agreement with the Target. As a means reasonably designed to prevent fraudulent, deceptive or manipulative acts or practices within the meaning of Section 14(e) of the Exchange Act, the Target, no later than 10 business days (as defined in Rule 14d-1(g) under the Exchange

Act) from the date the tender offer is first published or sent or given, will publish, send or give to its security holders a statement disclosing that the Target:

- recommends acceptance or rejection of the Offer;
- expresses no opinion and is remaining neutral toward the Offer; or
- is unable to take a position with respect to the Offer.

This statement will also include the reason(s) for the position (including the inability to take a position) disclosed therein.

Because the validity of the election to receive Acquiror Shares as consideration is dependent upon certain additional conditions that do not apply to the election to receive cash, to the extent those additional conditions are not satisfied, holders of Target Shares who elect to receive Acquiror Shares will be treated as having elected to receive cash.

The Offer will also be subject to regulatory approvals which would be generally customary for Hong Kong offers of this type.

An institution in Hong Kong will act as the Hong Kong receiving agent to receive tenders of Target Shares pursuant to the Offer.

B. The Management Purchase

In connection with, but outside the Offer, the Management Purchasers intend to sell, collectively, 60,373,936 Target Shares, or approximately 15% of outstanding Target Shares, to the Acquiror. Because the Management Purchasers are also directors or management members of the Acquiror, they are deemed under the Code to be “acting in concert” with the Acquiror. Consequently, Target Shares held by the Management Purchasers cannot be counted towards (i) achieving the 90% threshold necessary to effect the Squeeze Out (described further below) or (ii) the passing of the resolution to approve the delisting of the Target from the GEM. It is therefore common practice in Hong Kong tender offers to exclude any shares held by “concert parties” from the offer and to treat the acquisition of such shares separately from such offer.

Each Target Share purchased from the Management Purchasers will be exchanged for one Acquiror Share or a cash amount in Hong Kong dollars. This share exchange ratio and cash consideration is the same as that to be offered in the Offer and the Squeeze Out. Management Purchasers are not resident in the United States, and no entity through which such Management Purchasers hold Target Shares to be purchased in the Management Purchase is a U.S. person. Prior to the

Announcement, the Management Purchasers will give an irrevocable undertaking to the Acquiror in respect of the Management Purchase and the purchase is scheduled to occur upon the Offer becoming unconditional. The consummation of the Management Purchase will conditional upon the same conditions for the consummation of the Offer described above.

The Acquiror will disclose in the United States information regarding purchases of Target Shares by the Acquiror otherwise than pursuant to the Offer, including purchases made in the Management Purchase, to the extent such information is made public in Hong Kong in accordance with the Code. Under Rule 22 of the Code, any purchases outside the Offer are required to be disclosed on a next-day basis to the Hong Kong Stock Exchange and the SFC, and are available for public inspection on the website of the SFC.

C. Option Cancellation Offer

Rule 13 of the Code requires the Acquiror to make an appropriate offer or proposal to the Option Holders. Upon the Offer becoming or being declared unconditional, all Target Options will become exercisable for a period of 21 days following the Unconditional Date. Morgan Stanley, acting as agent for the Acquiror, will (i) offer holders of Target Shares resulting from the exercise of Target Options the opportunity to exchange each such Target Shares for either a certain cash amount in Hong Kong dollars or one Acquiror Share and (ii) invite Option Holders to submit for cancellation Target Options in consideration for a certain cash amount in Hong Kong dollars or the grant of Acquiror Options. The Option Cancellation Offer will be a related, but separate offer, and the Offer Documents will specifically disclose the details of the Option Cancellation Offer. Target Shares resulting from the exercise of Target Options will be subject to the share exchange ratio for Acquiror Shares and cash consideration offered in the Offer. The cash consideration per Target Share subject to Target Options submitted for cancellation in the Option Cancellation Offer will be equal to the cash consideration offered for each Target Share tendered pursuant to the Offer, less the exercise price per Target Share under the Target Options. One Acquiror Option would be offered in consideration for each Target Option submitted for cancellation, and each Acquiror Option will be exercisable for the same number of Acquiror Shares as the number of Target Shares that may be acquired upon exercise of each Target Option. There are no Option Holders that are U.S. persons. The Option Cancellation Offer will only be made if the Offer becomes unconditional. Target Options submitted by Option Holders in the Option Cancellation Offer will not be purchased by the Acquiror, but instead, submitted to the Target for cancellation. Any Target Options not exercised within this period will lapse automatically after this date, including any Target Options held by Option Holders that do not accept the Option Cancellation Offer.

D. The Squeeze Out

If it is successful in acquiring 90% or more of the outstanding Target Shares held by the Offerees through the closing of the Offer, the Acquiror intends to use the compulsory acquisition provisions of the Cayman Islands Companies Law to effect a Squeeze Out of remaining Target shareholders who did not tender their Target Shares in the Offer. Non-U.S. Holders and Major U.S. Shareholders may elect to receive as consideration a cash amount in Hong Kong dollars or one Acquiror Share for each Target Share compulsorily acquired from them in the Squeeze Out. U.S. Holders other than Major U.S. Shareholders will only be permitted to receive cash consideration.

As a result of the completion of the Squeeze Out, the Target will become a wholly-owned subsidiary of the Acquiror

III. Purchases Outside the Offer and Rule 14e-5

In Hong Kong, purchases outside a tender offer are permitted, subject to certain limitations. Under Rule 24 of the Code, the Acquiror, acting directly and through parties acting in concert with it, would be permitted to purchase Target Shares in the open market or otherwise prior to and during the conduct of, but outside the terms of, the Offer, subject to certain limitations including as to price. This rule would thus permit the Management Purchase. In addition, under Rule 24.1 of the Code, Target Shares purchased pursuant to the Offer must be purchased at a price no lower than that for any purchase of Target Shares made outside the Offer. Thus, arrangements such as the Management Purchase and the irrevocable undertakings described above are permitted under applicable Hong Kong law and under Hong Kong takeover regime.

Subject to certain exceptions, Rule 14e-5 under the Exchange Act prohibits a “covered person” from, directly or indirectly, purchasing or arranging to purchase any equity securities in the target company or any securities immediately convertible into, exchangeable for or exercisable for equity securities in the target company, except as part of the tender offer. This prohibition applies from the time of public announcement of the tender offer until the tender offer expires. “Covered person” is defined as (a) the offeror and its affiliates; (b) the offeror’s dealer-manager and its affiliates; (c) any advisor to any of the foregoing, whose compensation is dependent on the completion of the offer; and (d) any person acting, directly or indirectly, in concert with any of the persons specified above.

Purchases by the Acquiror and other covered persons acting in concert with the Acquiror, including the Management Purchasers, Morgan Stanley and any other Acquiror advisors, of Target Shares outside the Offer, including

pursuant to the Management Purchase, would not fall within any of the excepted activities specifically outlined in Rule 14e-5. Accordingly, in the absence of exemptive relief, such purchases would be prohibited from the date of the Announcement until the termination or expiration of the Offer. The Code (through the provisions of Rule 24) provides protections similar to those provided by Rule 14e-5, making, we believe, exemptive relief appropriate in the circumstances of the Offer by requiring that if the Acquiror (or persons acting in concert with the Acquiror for purposes of the Offer) acquire Target Shares at a higher price than is available under the Offer, the Acquiror must then increase the Offer to the highest price it or any person acting in concert with the Acquiror for purposes of the Offer has paid. In addition, under Rule 22 of the Code, any purchases outside the Offer, including the Management Purchase, are required to be disclosed on a next-day basis to the Hong Kong Stock Exchange and the SFC, and are available for public inspection on the website of the SFC. Disclosures of these purchases attract significant public attention by their very nature, and are disseminated on dealers' screens throughout the Hong Kong market.

The formal Offer Documents when posted will contain a prominent statement that, subject to obtaining the relief requested in this letter, the Acquiror (or persons acting in concert with the Acquiror for purposes of the Offer) or its or their nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase Target Shares outside of the United States during the period in which the Offer remains open for acceptances, but outside the terms of the Offer. The Offer Documents will specifically disclose the details of the Management Purchase. The Offer Documents will further state that in accordance with the requirements of Rule 14e-5 and with any exemptive relief that may be granted by the Staff, such purchases, or arrangements to purchase, must comply with applicable Hong Kong rules, including the Code and the rules of the Hong Kong Stock Exchange.

Although there are, in our view, serious doubts as to whether the jurisdictional predicate for the application of the Exchange Act — namely that there be a purchase of a security “by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange” — would be satisfied if the Acquiror, its advisors, or financial institutions acting on its or their behalf made purchases of Target Shares outside the United States, we nonetheless apply, on behalf of such persons, for exemptive relief for such purchases from the provisions of Rule 14e-5 pursuant to Rule 14e-5(d), as set forth below. We have been requested by the Acquiror to emphasize that this letter does not reflect an admission that Rule 14e-5 would apply to such purchases of Target Shares outside the United States in the absence of such exemptive relief.

Target Shares sold in the Management Purchase, tendered in the Offer or compulsorily acquired in the Squeeze Out will be subject to the same share exchange ratio for Acquiror Shares and cash consideration. No further consideration, direct or indirect, will be given under the Management Purchase or in the irrevocable undertakings beyond the price set forth in the Offer Documents. Management Purchasers are not resident in the United States, and no entity through which such Management Purchasers hold Target Shares to be purchased in the Management Purchase is a U.S. person. The Management Purchase is an integral aspect of the Offer, and consummation of the Management Purchase is subject to the same conditions as those for the consummation of the Offer. The Management Purchase will not adversely affect other Offerees participating in the Offer, nor will it impair the ability of such Offerees to obtain the full benefit of the Offer.

To the extent that the Staff believes such relief is necessary under the circumstances of the Offer, we request that the Division of Market Regulation, acting pursuant to delegated authority, issue an order exempting the Management Purchase from Rule 14e-5.

IV. Requested Exemptive Relief

Based on the foregoing, we respectfully request on behalf of the Acquiror that the Commission grant the Acquiror, the persons acting in concert with the Acquiror for purposes of the Offer, its or their advisors, and any broker or other financial institution acting as its or their agent (collectively, the “**Prospective Purchasers**”) exemptive relief from the provisions of Rule 14e-5, in order to permit purchases of Company Shares outside the Offer by any of the Prospective Purchasers that would otherwise be prohibited by Rule 14e-5, including but not limited to purchases of Target Shares outside the Offer by the Acquiror in the Management Purchase that would otherwise be prohibited by Rule 14e-5.

We understand that any exemptive relief granted would be subject to the following conditions:

- (a) no purchases or arrangements to purchase Target Shares, otherwise than pursuant to the Offer (and except as described separately above in relation to the Accredited Investor Placement), will be made in the United States;
- (b) disclosure of the possibility of, or intention to make, purchases or arrangements to purchase Target Shares by the Prospective Purchasers, otherwise than pursuant to the Offer, including the Management Purchase, will be prominently included in the Offer Documents;

- (c) the Prospective Purchasers shall disclose in the United States information regarding purchases of Target Shares by the Prospective Purchasers, otherwise than pursuant to the Offer, including the Management Purchase, to the extent such information is made public in Hong Kong in accordance with the Code;
- (d) the Prospective Purchasers shall provide to the Division of Market Regulation of the Securities and Exchange Commission (the “**Division of Market Regulation**”) upon request, a daily time-sequenced schedule of all purchases of Target Shares by the Prospective Purchasers, otherwise than pursuant to the Offer, on a transaction by transaction basis, including (1) size, broker (if any), time of execution and price of purchase, and (2) if not executed on the Hong Kong Stock Exchange, the exchange, quotation system or other facility through which the purchase occurred;
- (e) upon request of the Division of Market Regulation, the Prospective Purchasers shall transmit the information specified above under (d) (1) and (d)(2) to the Division of Market Regulation at its offices in Washington, D.C., within 30 days of its request;
- (f) the Prospective Purchasers shall comply with the applicable laws of Hong Kong and any applicable rules of Hong Kong organizations, including the Code and the GEM Listing Rules;
- (g) the Prospective Purchasers shall retain all documents and other information required to be maintained pursuant to this exemption for a period of not less than two years from the date of the termination of the Offer;
- (h) the representatives of the Prospective Purchasers shall be made available (in person at the offices of the Division of Market Regulation in Washington, D.C., or by telephone) to respond to inquiries of the Division of Market Regulation relating to such records; and
- (i) except as otherwise exempted herein, the Prospective Purchasers shall comply with Rule 14e-5.

The Commission has granted a number of exemptions from Rule 14e-5 and Rule 10b-13 (the predecessor of Rule 14e-5) to permit purchases by offerors and persons acting on behalf of offerors.

We believe the exemptive relief requested herein under Rule 14e-5 in respect of the Management Purchase is consistent with that granted by the Commission in similar situations in the past in which relief was sought for purchases made outside the relevant offer, such as in the letter regarding the offer by BP Amoco p.l.c. for Burmah Castrol Plc (available March 13, 2000), letter regarding the offer by St. David Capital plc for Hyder plc (available April 17, 2000), letter regarding the offer by Schlumberger Limited for Sema Group plc (available February 15, 2001), letter regarding the offer by Vinci for TBI plc (available August 23, 2001), letter regarding the offer by RWE Aktiengesellschaft for Innogy Holdings plc (available July 22, 2002), letter regarding the offer by Celltech Group plc for Oxford GlycoSciences plc (available March 3, 2003), letter regarding the offer by Twins Acquisition, Inc. for IDS Group, plc (available June 25, 2003), letter regarding the offer by Songbird Acquisition Limited for Canary Wharf Group plc (available April 22, 2004), letter regarding the offer by Anheuser-Busch Companies, Inc. for Harbin Brewery Group Limited (available May 7, 2004) and letter regarding the offer by SABMiller PLC for Harbin Brewery Group Limited (available May 10, 2004).

In addition, we note the existence of the Memorandum of Understanding on exchange of information between the Commission, the Hong Kong Securities and Futures Commission and the United States Commodity Futures Trading Commission dated October 5, 1995.

It should also be noted that we are advised by English and Hong Kong counsel that the Code is based upon similar principles and rules to those found in the City Code on Takeovers and Mergers of the United Kingdom, and its primary purpose as stated is to afford fair treatment for shareholders who are affected by takeovers and mergers.

V. Conclusion

Pursuant to Regulation 200.81, we respectfully request on behalf of the Acquiror that this exemptive request and the response be accorded confidential treatment until 120 days after the date of the response to such request or such earlier date as we advise that all of the information in this letter has been made public. This request for confidential treatment is made on behalf of the Acquiror as certain facts set forth in this letter have not been made public.

In compliance with Securities Act Release No. 6269 (December 5, 1980), seven additional copies of this letter are enclosed. In view of the short timetable, we respectfully request that the Commission issue the requested exemptive relief as soon as practicable.

October 7, 2005

If you have any questions or require any additional information, please contact Theodore A. Paradise (+81 3 5561 4430, theodore.paradise@dpw.com) or Jennifer Y. Ishiguro (+81 3 5561 4435, jennifer.ishiguro@dpw.com). We respectfully request that you contact either of the foregoing persons prior to issuing a written response to the no-action positions requested herein.

Sincerely yours,

/s/ Theodore A. Paradise

Theodore A. Paradise