

23<sup>rd</sup> August 2006

BY FAX: 2868-5641

**Tax Reform**

Financial Services and the Treasury Bureau  
4/F., Main Wing, Central Government Offices  
Lower Albert Road  
Hong Kong

Dear Sirs,

**Re: GST Consultation**

On behalf of our company, I write to register our opposition to the introduction of GST in Hong Kong.

We strongly believe that GST will have a great negative impact on our economy in the short and long term.

GST will depress both domestic and tourists consumption, increase inflation, tarnish Hong Kong's "shopping paradise" image, as well as destroy Hong Kong's low and simple tax system which in turn would deter foreign investments. Furthermore, the complex administrative work required will incur huge capital costs and operating costs to Government and commercial sectors alike.

To protect Hong Kong's competitive advantage, we strongly suggest the Government should maintain the present simple and low tax system.

Yours faithfully,

For and on behalf of

Goldpfeil Distribution and Services Ltd.

(Signed)

Yimmy Law

Administration &amp; Promotion Manager

Retail Division