



东方红药业有限公司

TUNG FONG HUNG MEDICINE COMPANY, LTD.

3 October, 2006

Tax Reform

Financial Services and the Treasury Bureau

4/F., Main Wing, Central Government Offices

Lower Albert Road

Hong Kong

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 to our economy in short and long term.

It will depress both domestic and tourists consumption, increase inflation, tarnish Hong Kong's "shopping paradise" image, destroy Hong Kong's low and simple tax system which in turn deters 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 sincerely,



(Signed)

Jeffrey Lam

Marketing Manager

Tung Fong Hung Medicine Co., Ltd.



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