



新達代理有限公司 新達集團成員

SUN INTERNATIONAL SWISS WATCH CO., LTD.

A member of Sun International Group

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12th 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,

For and on behalf of

Sun International Swiss Watch Co Ltd

(Signed)

David Sun

Executive Director