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香港交易所

The Stock Exchange of Hong Kong Ltd.

(A wholly-owned subsidiary of Hong Kong Exchange and Clearing Limited)

Our Ref: MD20111020-042

20 October 2011

To: Main Board Listed Issuers (Attn: Authorised Representatives)
GEM Listed Issuers (Attn: Authorised Representatives)
Market practitioners

Dear Sirs

SFC, HKEx to streamline property valuation requirements for applicants and issuers

The Securities and Futures Commission (SFC) and The Stock Exchange of Hong Kong Limited (SEHK), a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited (HKEx), jointly published today the consultation conclusions on their proposed changes to the property valuation requirements for applicants and issuers (Note 1).

Comments by respondents indicated that the market supported the proposals, which streamline requirements for property valuation disclosure in prospectuses and circulars. Less onerous property valuation requirements will apply to applicants and issuers, particularly for property interests that are not related to property development and investment activities.

In implementing the proposals, the SFC and SEHK have refined the requirements relating to mining activities (Note 2) and fine-tuned the drafting of the class exemption notice and the Listing Rules in response to market comments.

Subject to negative vetting by the Legislative Council, the class exemption notice will become effective on 1 January 2012. The Listing Rule amendments will take effect at the same time as the class exemption notice.

The consultation conclusions, including the class exemption notice and relevant rule amendments, are available on the SFC website at <http://www.sfc.hk/sfc/doc/EN/speeches/public/consult/PVConclusionsEng20102011.pdf> and the HKEx website at <http://www.hkex.com.hk/eng/newsconsul/mktconsul/Documents/cp201012cc.pdf>.

Yours faithfully
For and on behalf of
The Stock Exchange of Hong Kong Limited

[Signed]

Mark Dickens JP
Head of Listing

Notes:

1. On 3 December 2010, the SFC and SEHK launched a 10-week consultation to invite comments on the "Joint Consultation Paper on Proposed Changes to Property Valuation Requirements." The consultation paper is available on the HKEx website at <http://www.hkex.com.hk/eng/newsconsul/mktconsul/Documents/cp201012.pdf>.
2. The original proposal was to exempt property interests ancillary to mining activities from valuation if a valuation of the assets or resources associated with the mining activities had been conducted. The refined proposal is that separate valuation of property interests ancillary to mining activities will not be required if the mining activities and ancillary property interests have been valued as a business or an operating entity.

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