



CHARTERED
SECRETARIES

特許秘書

More than meets the eye.
潛能. 超越所見.



8 February 2011

Corporate Finance Division
Securities and Futures Commission
8/F Chater House
8 Connaught Road Central
Hong Kong

Corporate Communications Department
Hong Kong Exchanges and Clearing Limited
12/F One International Finance Centre
1 Harbour View Street, Central
Hong Kong

Dear Sirs,

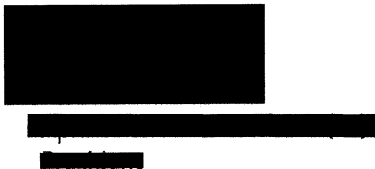
Re: Joint Consultation Paper on Proposed Changes to Property Valuation Requirements

We are pleased to enclose our submission in respect of the above consultation paper.

We have no objection to your disclosing our name and the whole or part of our submission to the members of the public.

Thank you.

Yours faithfully,



Enclosure

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(Incorporated with limited liability)
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The Hong Kong Institute of Chartered Secretaries
Submission on Joint Consultation Paper on Proposed Changes to Property Valuation Requirements

	Consultation Questions	Yes	No	Reasons and alternative views
Part II:	Proposals To Amend Property Valuation Requirements For Issuers			
26.	Do you agree with the proposed disclosure guidance for material property interests in paragraph 61 of the Consultation Paper? If your answer is 'No', please give reasons and alternative views.	✓		As a non-exhaustive list for guidance purposes, we agree that paragraph 61 is helpful.
27.	Do you agree that it is unnecessary to introduce different valuation requirements for acquisition or disposal of non-property activities and property activities for issuers? If your answer is 'No', please give reasons and alternative views.	✓		
28.	Do you agree with the proposal to remove valuation requirements if the company being acquired or disposed of is listed on the Exchange, except for a connected transaction (see paragraph 123 of the Consultation Paper)? If your answer is 'No', please give reasons and alternative views.	✓		
29.	Do you agree that an overview of property interests not covered by a valuation report be disclosed in the circular? If your answer is 'No', please give reasons and alternative views.	✓		
30.	Do you agree not to require property valuations and disclosing valuation information for acquisition or disposal of an unlisted company if the carrying amount of a property interest is below a percentage of the issuer's total assets?	✓		

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	Consultation Questions	Yes	No	Reasons and alternative views
	If your answer is 'No', please give reasons and alternative views.			
31.	Do you agree not to require valuation of property interest with carrying amount below 1% of the issuer's total assets? If your answer is 'No', please give reasons and alternative views.	✓		
32.	Do you agree that the total carrying amount of property interests that do not require valuation cannot exceed 10% of the issuer's total assets? If your answer is 'No', please give reasons and alternative views.	✓		
33.	Do you agree with the proposed definition of property interest in paragraph 67 of the Consultation Paper? If your answer is 'No', please give reasons and alternate views.	✓		Consideration could be made to clarify that a property interest does not include an option to purchase.
34.	Do you agree with the proposed guidance on what should be treated as a single property interest in paragraph 69 of the Consultation Paper? If your answer is 'No', please give reasons and alternate views.	✓		Paragraph 69 is useful as a guidance as to what constitutes a single property interest.
35.	Do you agree that a circular should include full text of valuation reports for all property interests that are required to be valued except where summary disclosure is allowed? If your answer is 'No', please give reasons and alternate views.	✓		
36.	Do you agree to allow summary disclosure if the market value of a property interest as appraised by the valuer is less than 5% of the property interests that are required to be valued?	✓		

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	Consultation Questions	Yes	No	Reasons and alternative views
	If your answer is 'No', please give reasons and alternative views.			
37.	Do you agree with the form for summary disclosure of property interests in Appendix II of the Consultation Paper? If your answer is 'No', please give reasons and alternative views.	✓		
38.	Do you agree that an overview of property interests not covered by a valuation report be disclosed in the circular? If your answer is 'No', please give reasons and alternative views.	✓		
39.	Do you agree that for an acquisition or disposal of an unlisted company, valuations will not be required for property interests ancillary to mining activities if the circular includes a valuation by an independent professionally qualified valuer of the associated mineral or petroleum assets or resources? If your answer is 'No', please give reasons and alternative views.	✓		
40.	Do you agree with the proposal relating to a very substantial acquisition in paragraph 121 of the Consultation Paper? If your answer is 'No', please give reasons and alternative views.	✓		
41.	Do you agree with the proposal to retain the existing valuation requirements for connected transactions? If your answer is 'No', please give reasons and alternative views.	✓		
42.	Do you agree that valuation will continue to be required if the connected	✓		

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	Consultation Questions	Yes	No	Reasons and alternative views
	<p>transaction involves an acquisition or disposal of a company listed on the Exchange?</p> <p>If your answer is 'No', please give reasons and alternative views.</p>			
43.	<p>Do you agree with the proposals relating to connected transactions in paragraph 125 of the Consultation Paper?</p> <p>If your answer is 'No', please give reasons and alternative views.</p>	✓		
44.	<p>In addition to the information mentioned in paragraph 74 of the Consultation Paper, is there any other information that should be disclosed in a valuation report that is not required at present by the Listing Rules? Also, is there any information that is no longer required to be disclosed in a valuation report?</p> <p>If your answer is 'Yes', please state.</p>		✓	
45.	<p>Do you agree with the proposal to maintain the effective date at which the property was valued under Rule 5.07? (Please note that the same question has been raised for applicants in question 6).</p> <p>If your answer is 'No', please give reasons and alternative views.</p>		✓	The effective date at which the property was valued should align with the latest period reported on by the reporting accountants, i.e., not more than 6 months before the date of the listing document.
46.	<p>Do you agree that the proposed Listing Rule amendments in Appendices IV.A and IV.B of the Consultation Paper will implement the proposals for issuers?</p> <p>If your answer is 'No', please give reasons and alternative views.</p>	✓		