



**WINSOR  
PROPERTIES  
HOLDINGS  
LIMITED**

**南聯地產  
控股有限公司**

南聯地產註冊成立之有限公司  
Incorporated in the Cayman Islands with  
limited liability



7 April 2008

**By fax to: 2524 0149**  
(Total 5 pages)

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

Dear Sirs,

Re: **Combined Consultation Paper issued in January 2008  
on Proposed Changes to the Listing Rules**

We refer to the captioned consultation paper and have pleasure in enclosing for your consideration our comments on **Issue 14: Codification of waiver to property companies.**

Yours faithfully,  
For and on behalf of  
**Winsor Properties Holdings Limited**  
(Stock Code: 1036)



**W. B. Lam**  
Director

(Direct Line: [REDACTED]; Email: [REDACTED])

Encl.

*Question 13.10:* Do you agree that Main Board Rule 13.51(2)(m) and GEM Rule 17.50(2)(m) should be amended so as to put beyond doubt that the disclosure obligation arises where a conviction falls under any one (rather than all) of the three limbs (i.e. Main Board Rule 13.51(2)(m)(i), (ii) or (iii) and GEM Rule 17.50(2)(m)(i), (ii) or (iii))?

Yes

No

Please provide reasons for your views.

*Question 13.11:* Do you agree that the draft Rules at Appendix 13 will implement the proposal set out in Questions 13.9 and 13.10 above?

Yes

No

Please provide reasons for your views.

Issue 14: Codification of waiver to property companies

*Question 14.1:* Do you agree that the Proposed Relief should provide relaxation of strict compliance with the shareholders' approval requirements of the Rules only to listed issuers that are actively engaged in property development as a principal business activity?

Yes

No

Please provide reasons for your views.

*The hardship and practical difficulties described under Issue 14 ("hardship") is faced by property companies generally. We, Winsor Properties Holdings Limited ("Winsor"), fall into the definition of "property company" under the Listing Rules. Winsor encountered hardship on previous occasions, but Winsor does not meet all the 3 factors set out in paragraph 14.13 to qualify itself as actively engaging in property development as a principal business activity.*

*Question 14.2:* Do you agree with the proposed criteria in determining whether property development is a principal activity of a listed issuer (described at paragraphs 14.12 and 14.13 of the Combined Consultation Paper)?

- Yes  
 No

Please provide reasons for your views.

*Please see reasons given under Question 14.1.*

*Question 14.3:* Do you agree that the scope of the Proposed Relief should be confined to acquisition of property assets that fall within the definition of Qualified Property Projects?

- Yes  
 No

Please provide reasons for your views.

*Hardship may be encountered by listed issuers in respect of projects outside Hong Kong. Hardship may also be encountered by listed issuers in private tenders and private auctions. For Winsor, hardship was encountered previously in respect of property acquisition in Singapore via private tender.*

Are you aware of any examples of Hong Kong listed issuers encountering difficulties in strict compliance with the Rules when participating in other types of auctions or tenders? If yes, please specify what are the problems faced by the listed issuers in participating in these auctions or tenders.

*Seeking shareholders' approval prior to auctions and tenders exposes the listed issuer's business and pricing strategies to the vendors as well as the competitors. Subjecting the bids to shareholders' approval will not be acceptable in any auction, or in a tender. Even if it is acceptable, it will take at least 3 weeks for the shareholders' approval to be obtained. Vendors usually will not wait for that long.*

*Question 14.4:* Do you agree that Qualified Property Projects which contain a portion of a capital element should qualify for relief from the notifiable transaction Rules set out in Main Board Chapter 14?

- Yes  
 No

If yes, should the Proposed Relief specify a percentage threshold for the capital element within a project? Please provide reasons for your views.

*Winsor is more of a property investment company than a property development company. The capital element in its project could be as high as 100% when the project is developed for rental income. Winsor does not favour any threshold, and indeed Winsor does not understand why the hardship should be weighted by the non-capital element of a project.*

*Question 14.5:* Do you agree that the scope of the exemption from strict compliance with Main Board Chapter 14A in relation to the shareholders' approval requirements for property joint ventures with connected persons should be limited to scenarios where the connected person is only connected by virtue of being a joint venture partner with the listed issuer in existing single purpose property projects?

Yes

No

Please provide reasons for your views.

Relaxation may be considered where a listed issuer and its connected persons unite effort to form a joint venture on normal commercial terms to bid or tender for a property project.

*Question 14.6:* Do you agree that the General Property Acquisition Mandate is useful to confer protection on shareholders and is necessary as regards property joint ventures with connected persons where the connected person is only connected by virtue of being a joint venture partner with the listed issuer in existing single purpose property projects (Type B property joint ventures)?

Yes

No

If yes, should the General Property Acquisition Mandate include any limit on the size of the Annual Cap by reference to some quantifiable thresholds? Please provide reasons for your views.

*Question 14.7:* Are the disclosure obligations described at paragraph 14.51 of the Combined Consultation Paper appropriate?

Yes

No

Please provide reasons for your views.

*The hardship is only encountered in the bidding/tendering stage. The disclosure obligation is not an issue.*

*Question 14.8:* Do you agree that the draft Rule amendments at Appendix 14 will implement the proposals set out in Issue 14 of the Combined Consultation Paper?

Yes

No

Please provide reasons for your views.

**Issue 15: Self-constructed fixed assets**

*Question 15.1:* Do you agree that the notifiable transaction Rules should be amended to specifically exclude any construction of a fixed asset by a listed issuer for its own use in the ordinary and usual course of its business?

Yes

No

Please provide reasons for your views.

*Question 15.2:* Do you agree that the draft Rules at Appendix 15 will implement the proposal set out in *Question 15.1* above?

Yes

No

Please provide reasons for your views.