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From: Frank Curtiss

Sent: Thursday, November 12, 2009 12:35 AM

To: response

Cc:

Subject: Re: Consultation on New Listing Rules for Mineral and Exploration Companies

Dear Sirs

I would like to submit a brief response on behalf of rpm Railpen Investments to your Consultation on New Listing Rules for Mineral and Exploration Companies and to express our general support for your proposals which we welcome.

By way of introduction, Railpen Investments is the investment monitoring arm of the Railways Pension Trustee Company Limited which acts as the corporate trustee to various UK railway industry pension schemes. The Trustee Company has approximately £18 billion / HK\$ 232 billion in assets under management on behalf of 350,000 beneficiaries.

Hong Kong is one of our major overseas equities markets and the Railways Pension Trustee Company Limited currently has exposure to around 100 quoted companies listed in Hong Kong with an aggregate market value of around £330 million / HK\$4.2 billion. We have been actively voting all of our Hong Kong holdings since May 2008 when we became the first UK pension fund to publish a self standing corporate governance policy for Hong Kong.

In our Hong Kong policy, amongst other things, we express strong support for greater transparency and also our wish for improved reporting by Hong Kong listed companies on environmental and social matters.

It follows that we welcome your proposed changes on additional disclosure requirements for new applicant mineral and exploration companies as we believe this will do much to improve transparency and to provide investors with essential information to evaluate risk. Improved listing standards are clearly helpful in promoting this and in encouraging consistency of disclosure between companies.

In this regard, we particularly welcome the proposals to require reconciliation to the three main JORC codes for Chinese and Russian domiciled companies that present information according to their domestic standards. If adopted this could have the virtuous circle effect of collective improvement in standards and the reduction of investment risk in these jurisdictions and well beyond through convergence of best practice globally. It will also be helpful to companies in that it sends them a clear signal that the adoption of global best practice can improve their valuations.

We are investor signatories to the Extractive Industries Transparency Initiative and would recommend that HKex gives serious consideration to an annual disclosure requirement for tax, royalties and other significant payments to host country governments, preferably on a country by country basis, where material, given the very limited usefulness of aggregated regional disclosure.

We also welcome the Exchange's proposals referred to in paragraph 7.1 of the Consultation Paper to encourage mineral and exploration companies to provide regular disclosure on social and environmental matters where material to their

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business operations.

We consider that these matters are likely to be very material in the extractive industries sector and investors will find disclosure on them helpful in evaluating operational and financial risk.

I would add that we have had sight of the detailed response to your consultation submitted by F&C Asset Management and wish to add our full endorsement to their response.

I hope these comments are helpful and please let me know if you require any clarification or if I can be of any further assistance.

Kind regards

Frank Curtiss
