

Part B Consultation Questions

Please indicate your preference by checking the appropriate boxes. Please make your comments by replying to questions below against proposed changes discussed in the Consultation Paper at the hyperlink:

<http://www.hkex.com.hk/eng/newsconsul/mktconsul/documents/cp201009.pdf>

Where there is insufficient space, please attach additional pages as necessary.

A. Exemption for Qualified Property Acquisitions

(1) Scope of the QPA exemption

- 1 (a). Do you agree with the proposal to expand the QPA exemption to acquisitions of land or property development projects in the Mainland from government through the PRC Government Auction Process?

Yes

No

Please provide reasons

Given the competitive nature of the PRC property market, particularly in prime real estate locations or locations where there is government or provincial government support for zoning of new business/financial/industrial districts, this proposal helps to level out the playing field for HKEx-listed property companies to have a fairer chance to bid for such projects against competitors (whether listed or unlisted).

- 1 (b). For the proposed exemption described in 1(a), do you agree with the proposal to exempt government or government entities falling under the current definition of “PRC Governmental Body” in Rule 19A.04?

Yes

No

Please provide reasons.

2. Do you propose other jurisdictions which should qualify for the QPA exemption?

Yes

No

If your answer is “Yes”, please provide details of the legislation and requirements for government land auctions in those jurisdictions and your analysis why they would fit the criteria described in paragraphs 23 and 27 of the Consultation Paper.

3. Do you agree with the proposal to grant similar waivers to government land acquisitions in other jurisdictions on an individual case basis?

Yes

No

Please provide reasons.

We recommend that the HKEx monitors the new waivers to assess whether they facilitate the bona fide property development activities in the PRC of HKEx-listed companies and to check through such monitoring whether there are any abuses of these requirements.

Also while the government auction process in the PRC is becoming gradually more familiar to investors here, the same is not yet the case in relation to other jurisdictions, where there may be some concerns about the integrity of the process. Therefore we believe that the HKEx should move more cautiously in relation to granting similar waivers in relation to other jurisdictions until such time as there is more supportive evidence to indicate that similar treatment is justified.

4. Do you agree with the factors for granting individual waivers described in paragraph 27 of the Consultation Paper?

Yes

No

Please provide reasons.

see comment above

(2) Conditions for QPA exemption

5. Do you agree with the proposed change to the exemption conditions described in paragraph 34 of the Consultation Paper for property joint ventures with independent third parties?

Yes

No

Please provide reasons.

6. Do you agree with the proposed change to the exemption conditions described in paragraph 34 of the Consultation Paper for property joint ventures with Qualified Connected Persons?

Yes

No

Please provide reasons.

(3) General Property Acquisition Mandate

7. Do you agree with the proposal to remove the requirements relating to the General Property Acquisition Mandate currently applying to the formation of joint ventures with Qualified Connected Persons?

Yes

No

Please provide reasons.

(4) Disclosure requirements

8. Do you agree with the proposal to accelerate the disclosure of information relating to the joint ventures for Qualified Property Acquisitions (which is currently required to be made in the annual report) to the announcement/circular stage?

Yes

No

Please provide reasons.

We think that the annual report should have a comprehensive review of the business activities of the listed issuer – and to have in the annual report a review of information on the extent of the issuer’s activities conducted through Qualified Property Transactions in an appendix would be informative to shareholders

(5) Property valuation

9. Do you agree with the proposal to exempt property valuation requirement for acquisitions falling under the QPA exemption?

Yes

No

Please provide reasons.

On balance, yes.

(6) Changes to the Rules

10. Do you have any comments on the draft Rule amendments relating to the QPA exemption in Part A of Appendix I of the Consultation Paper?

Yes

No

If you answer is “Yes”, please state.

B. Formation of joint ventures

11. Do you agree with the proposal to exempt “revenue joint venture projects” described in paragraph 61 of the Consultation Paper?

Yes

No

Please provide reasons.

12. Do you agree that the proposed draft Rule amendments in Part B of Appendix I of the Consultation Paper will implement our proposal?

Yes

No

If your answer is “No”, please provide reasons and alternative views.

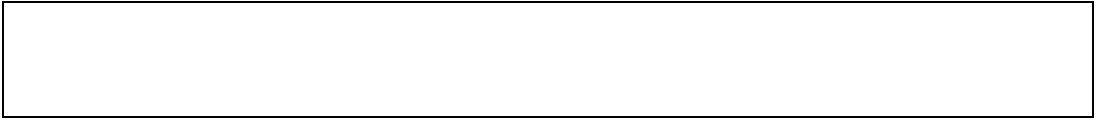
On balance, yes – subject to the maintenance of the requirement for a listed issuer to disclose in its annual report in an appendix providing details of QPA.

13. Do you have other comments on this consultation paper?

Yes

No

If your answer is “Yes”, please state.



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