



11 November 2009

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

Dear Sirs,

Re: Consultation Paper on New Listing Rules For Mineral and Exploration Companies

We refer to the captioned consultation paper and would like to express our view on the following consultation questions for your consideration.

Consultation Questions:

5.17 From a valuer's perspective, the International Valuation Standards (IVS) published by the International Valuation Standards Committee should also be considered as an accepted valuation codes for the IVS covers most of the reporting development in the suggested valuation codes and, the IVS Guidance Note No. 14 - Valuation of Properties in Extractive Industries has sufficient valuation guidelines for mineral properties. Since the local applicable Business Valuation Standards published by the Hong Kong Business Valuation Forum (HKBVF) and the HKIS Valuation Standards on Trade-related Business Assets and Business Enterprises published by the Hong Kong Institute of Surveyors (HKIS) closely follow the IVS, it should also be accepted in valuing mineral properties.

5.18 We considered that, for the purpose of valuation, a Competent Person shall have at least 5 years of recent and relevant experience in the assessment and/or valuation of mineral or petroleum assets or securities rather than the 10 years relevant and recent general mining and petroleum experience suggested.

According to the IVS Guidance Note No.14, a valuer must rely heavily on the information provided by (a) Technical Expert(s), which defined as "a person who is responsible for all or part of the technical assessment that supports and Extractive Industry Valuation. A Technical Expert much have appropriate experience relevant to the subject matter, and in States where required by statute or regulation, must be a member or license-holder in good standing of a professional organization that has authority to sanction members or licensees". This will give both the Technical Expert and the Competent Person an opportunity to cross-check with each other's work to enable a sound and reasonable valuation to the public interest.



In addition to the 5 years working experience requirement, to protect the public interest of Hong Kong and to ensure the Competent Person understands the local market requirements, the Competent Person should also be a member of the General Practice Division of the HKIS or a Registered Business Valuer registered with the HKBVF. Both the HKIS and HKBVF are professional organizations that have authority to sanction members or licensees in view of the public interest of Hong Kong.

5.19 Other than the proposal 5.86 for the requirement of production of valuation report, we suggest to follow the Chapter 5 – Valuation of and Information on Properties of the Listing Rules by **the Stock Exchange of Hong Kong Limited (specifically 5.01-5.04)** to determine whether a valuation report is required.

Should you need further elaboration from us, please feel free to contact the undersigned at 2586-1737.

Yours faithfully,
For and on behalf of
LCH (Asia-Pacific) Surveyors Limited

Joseph Ho Chin Choi *MRICS MHKIS RPS*
Managing Director