

The Stock Exchange of Hong Kong Limited

Practice Note 12

to the Rules Governing the Listing of Securities
(the “Exchange Listing Rules”)

Issued pursuant to rule 1.06 of the Exchange Listing Rules

VALUATIONS OF PROPERTY SITUATED IN DEVELOPING PROPERTY MARKETS

10. Notifiable Transactions

Where in any transaction which falls within rule 14.0~~6~~² of the Exchange Listing Rules, the relevant party is or intends to contribute capital or to contribute to or become liable for all or part of the cost of development of any property project or development, or to any company or venture involved in any development project, then the Exchange:

- (a) may require further disclosure of how such capital contribution or development costs have been derived;
- (b) may require an independent valuation report even if such report is not expressly required pursuant to rule 5.02 of the Exchange Listing Rules; and
- (c) may consider taking account of such capital or cost contributions when considering whether the transaction falls within any of the categories of notifiable transactions referred to in rule 14.0~~6~~² of the Exchange Listing Rules.

18. This Practice Note replaces Guidance Note 5 and takes effect from 16th October, 1995.

Hong Kong, 16th October, 1995

Revised on 31st March, 2004