

GUIDANCE NOTE 4

Date issued: 18 October 2006

Issued pursuant to the Guidelines on Asset Valuation

- Appointment of valuer for valuation of foreign property assets

1.0 CONTEXT

1.01 This guidance note supplements the *Guidelines on Asset Valuation*, the *Policies and Guidelines on Issue/Offer of Securities*, the *Guidelines for Initial Public Offerings and Listings on the Mesdaq Market* and the *Guidelines on the Real Estate Investment Trust*.

1.02 The provisions of this Guidance Note shall replace Clause 3.08 of the Guidelines on Asset Valuation ("Guidelines").

2.0 AMENDMENTS TO CLAUSE 3.08 OF THE GUIDELINES ON ASSET VALUATION

2.01 The valuation of foreign property assets relating to corporate proposals undertaken by public companies shall be prepared by–

- (a) an independent valuer as defined under para 3.01 of the Guidelines; or
- (b) an independent valuer registered with a relevant professional body in the country where the property assets are located, and has no record of disciplinary actions taken by the professional body during the past three years; or
- (c) joint valuers i.e. jointly by the abovementioned valuers.

2.02 The valuer shall possess the necessary skills and relevant knowledge and experience in the local market and category of asset being valued.

2.03 Valuation reports shall be prepared in accordance with the Guidelines.

2.04 The Principal Adviser shall conduct the necessary due diligence on the valuer and the valuation report, as well as information submitted to the SC in relation to the application.