*This section contains information and statistics relating to the industry in which the Group operates. The Group has extracted and derived the information and statistics in the section below, in part, from various publicly available government or official sources. The Group believes that the sources of this information are appropriate sources for such information and has taken reasonable care in extracting and reproducing such information. The Group has no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information has not been independently verified by the Group, Aperto Investments Limited, the Sponsor, the Sole Bookrunner, the Lead Manager, the Co-Manager, the Underwriter or any other party involved in the Placing and no representation is given as to its accuracy.*

## NATURAL RESOURCES VALUATION AND TECHNICAL ADVISORY SERVICES INDUSTRY

Natural resources refer to materials or substances such as fertile land, forests, minerals and water that occur in nature and can be used for economic gain. Mining refers to the activity, occupation and industry concerned with the extraction of natural resources. Minerals are commonly further subdivided into metallic ores (including, among others, ferrous metals (such as iron, manganese, molybdenum, tungsten, etc.), the non-ferrous metals (such as aluminium, brass, copper, lead, tin, zinc, etc.), the precious metals (such as gold, silver, the platinum group metals, etc.) and the radioactive minerals (such as uranium, thorium, radium, etc.)), non-metallic minerals (including, among others, phosphate, potash, halite, trona, sand, gravel, limestone, sulphur, etc.) and fossil fuels (including, among others, coal, petroleum, natural gas, coalbed methane, gilsonite, tar sands, etc.).

The essence of extracting mineral wealth from earth is to drive an excavation from the surface to the mineral deposit, which can be achieved by a number of mining methodologies. The mining methodology, however, is determined by, on a case by case basis, the geographical, geological, physical, environmental, economic and legal circumstances that pertain to the ore deposit being mined. In a professional aspect, the fields of endeavor associated with the mineral industries are linked to the stage in which an activity occurs. Locating and exploring a mineral deposit fall in the general province of geology and the earth sciences. Mining engineering, being the practice of applying engineering principles to the development, planning, operation, closure and reclamation of mines, encompasses the proving (with the geologist), planning, developing and exploiting of a mineral deposit. The mining engineer may also be involved with the closure and reclamation of the mine property, which may also share duties with those in the environmental fields. The fields of processing, refining and fabricating are assigned to metallurgy, although there is often some overlap in the mineral processing area with mining engineering.

The overall sequence of activities in modern mining is often compared with the five stages in the life of a mine: prospecting, exploration, development, exploitation and reclamation.

(i) Prospecting stage: the search for ores or other valuable minerals (coal or nonmetallics).

(ii) Exploration stage: determining as accurately as possible the size and value of a mineral deposit, utilising techniques similar to but more refined than those used in prospecting.

(iii) Development stage: the work of opening a mineral deposit for exploitation.

(iv) Exploitation stage: the actual recovery of minerals from earth in quantity.

(v) Reclamation stage: closing a mine and recontouring, revegetating, and restoring the water and land values.

Given that the mining process involves specialised and complicated knowledge and experience, the mineral companies which do not possess such knowledge and/or experience may need to engage independent mining consultancy service companies for the relevant services. Through their extensive experience and knowledge in mining, the natural resources valuation and technical advisory service companies in general can provide a comprehensive list of services to assist mineral companies to, among others, (i) assess the size and value of the mine; (ii) formulate and conduct feasibility study on mining plan; (iii) explore source of funding for the development of the mine; (iv) prepare the valuation of the mine; (v) manage the mining operation; and (vi) advise on risk management and environmental issues.

Natural resources valuation and technical advisory services industry includes, among others, the provision of mining and petroleum valuation and technical advisory services and preparation of technical and/or valuation reports of different natural resources for various purposes including IPOs, accounting references, mergers and acquisitions, feasibility studies and due diligence investigations.

The provision of natural resources valuation and technical advisory services, especially mining and petroleum industries rely on professional expertise in the mineral and petroleum fields, which in the opinion of the Directors, are limited in the Hong Kong market. The Directors believe that currently there may be only a few market players who are principally engaged in both provision of natural resources valuation and technical advisory services in Hong Kong.

## VALUATION AND CONSULTANCY SERVICES INDUSTRY IN HONG KONG

Valuation is the process of estimating the value of an asset or the extent of a liability on a given date. Valuations are needed for different reasons such as investment analysis, capital budgeting, merger and acquisition transactions, financial reporting, insurance, taxable events to determine the proper tax liability, litigation and the disclosure of information to the public by companies listed on the Stock Exchange under the requirements of the Main Board Listing Rules and GEM Listing Rules.

Valuation companies in Hong Kong generally offer a wide range of valuation services, which can be categorised into business and intangible assets valuation, financial instruments valuation, real estate valuation, work of art valuation, industrial valuation, purchase price allocation, etc.

Business and intangible assets valuation refers to evaluating market value of business and intangible assets, which include, among others, business contracts, exploration and mining rights, customer relationships, franchises, technology, trademarks, patents and copyrights, domain names and publication rights.

Financial instruments valuation refers to assessing the fair value of a financial instrument, such as accumulators, convertible bonds, convertible preference shares, forward/future contracts, share options, swap contracts, etc., at the valuation date and any subsequent period end date by utilising various valuation models such as Black-Scholes-Merton Option Pricing Model, Binomial Option Pricing Model and Monte Carlo Simulation Method.

Work of art valuation refers to valuing the fair market values of antiques, work of art and collectables for various purposes such as insurance, private and corporate collection, probate, inheritance tax and heritage advisory.

Industrial valuation refers to assessing fair value of diverse scope of fixed assets ranging from simple stand-alone equipment to complex manufacturing processes and industrial facility installations.

Purchase price allocation refers to assigning fair values to various assets and liabilities in an enterprise, either following a merger or an acquisition under the financial reporting standards such as, among others, the International Financial Reporting Standards and the Hong Kong Financial Reporting Standards.

Real estate valuation refers to determining the market value of properties held for various purposes including IPO, accounting references, mergers and acquisitions, REITs, feasibility studies, insurance and due diligence investigations. Valuation on properties in Hong Kong is generally conducted by qualified surveyors, on an individual or corporate level, being registered under The Royal Institution of Chartered Surveyors (Hong Kong Branch) or The Hong Kong Institute of Surveyors (General Practice). According to the HKIS, there were 156 fellow corporate members and 1,643 corporate members as at 1 January 2013 under general practice category in Hong Kong.

In general, valuation companies in Hong Kong perform valuation service for clients which include companies listed on the Stock Exchange, private companies and individuals in Hong Kong. Based on the information publicly available on the Stock Exchange's website, at least 16 and 14 of them have been engaged by companies listed on the Stock Exchange to perform real estate valuation for IPOs for the two years ended 31 December 2011 and 2012 respectively.

## REGULATORY REQUIREMENTS FOR VALUATION COMPANIES IN HONG KONG

With an aim to provide sufficient information to the investors and/or shareholders of companies listed on the Stock Exchange, companies listed on the Stock Exchange are required to incorporate different types of valuation reports and technical reports in the listing documents or circulars under various circumstances in accordance with the Main Board Listing Rules and GEM Listing Rules, details of relevant requirements are set out below. Save as disclosed below, there is no other mandatory qualification or experience requirement for provision of valuation and technical advisory services in Hong Kong.

### Natural resources valuation and technical advisory services

In June 2010, the Stock Exchange revised Chapter 18 of the Main Board Listing Rules and Chapter 18A of the GEM Listing Rules which set out rules governing listing conditions, disclosure requirements and continuing obligations for mineral companies and created business opportunities for natural resources valuation and technical advisory services market in Hong Kong.

Since June 2010, Competent Person's Reports are normally required by the Stock Exchange under Chapter 18 of the Main Board Listing Rules and Chapter 18A of the GEM Listing Rules to be included in the listed issuers' circulars and listing documents under the following circumstances:

(a) in the case of an IPO of a mineral company; and

(b) in the case of an acquisition or realisation of any mineral or petroleum assets, which constitute a Relevant Notifiable Transaction.

A Competent Person must:

(i) have a minimum of five years' experience relevant to the style of mineralization and type of deposit under consideration or to the type of petroleum exploration, reserve estimate (as appropriate), and to the activity which the mineral company is undertaking;

(ii) be professionally qualified, and be a member in good standing of a relevant Recognised Professional Organisation, in a jurisdiction where, in the Stock Exchange's opinion, the statutory securities regulator has satisfactory arrangements (either by way of the IOSCO Multilateral MOU or other bi-lateral agreement acceptable to the Stock Exchange) with the SFC for mutual assistance and exchange of information for enforcing and securing compliance with the laws and regulations of that jurisdiction and Hong Kong;

(iii) take overall responsibility for the Competent Person's Report(s); and

(iv) be independent of the company listed on the Stock Exchange.

Natural Resources Valuation Reports are required under Chapter 18 of the Main Board Listing Rules and Chapter 18A of the GEM Listing Rules in the listed issuers' circulars and listing documents of the Relevant Notifiable Transactions involving an acquisition or realisation of an interest in mineral or petroleum assets. Natural Resources Valuation Report must be prepared by a Competent Evaluator approved by the Stock Exchange from time to time.

In addition to the abovementioned requirements (ii) and (iv) for a Competent Person, a Competent Evaluator must:

(i) have at least ten years' relevant and recent general mining or petroleum experience (as appropriate); and

(ii) have at least five years' relevant and recent experience in the assessment and/or valuation of mineral or petroleum assets or securities (as appropriate).

The Directors believe that currently there are only a few market players who have employed Competent Person and/or Competent Evaluator in Hong Kong and are capable of preparing Competent Person's Report and Natural Resources Valuation Report as required under the Main Board Listing Rules and GEM Listing Rules.

**Business valuation services**

Business valuation reports are normally required to be included in the listed issuers' circulars and listing documents under the following circumstances:

(i) in the case of a Relevant Notifiable Transaction involving an acquisition or realisation of an interest in an infrastructure project or an infrastructure or project company, the company listed on the Stock Exchange is required to incorporate into the circular or listing documents a business valuation report on the business of company being acquired or disposed of and/or a traffic study report on the infrastructure project or infrastructure or project company; and

(ii) in the case where the consideration of the subject assets of the Relevant Notifiable Transactions is determined with reference to the valuation of the subject assets.

**Financial instruments valuation reports**

Under Hong Kong Financial Reporting Standards, certain financial assets and liabilities, and derivatives are required to be measured at fair value at grant date and/or at each financial reporting date and/or at transfer date. Companies listed on the Stock Exchange normally engage financial instruments valuer to conduct valuation on the fair value of the subject financial instruments on a given date. Financial instruments valuation reports are normally required to be produced for the companies listed on the Stock Exchange in accordance with the requirements under the relevant HKFRS and HKAS that are set out as follows:

| | |
|---|---|
| HKFRS 2 | Share-based payment |
| HKFRS 7 | Financial instruments: Disclosures |
| HKFRS 9 | Financial instruments |
| HKAS 32 | Financial instruments: Presentation |
| HKAS 39 | Financial instruments: Recognition and Measurement |

**Real estate valuation services**

Property valuation reports are normally required to be included in the listed issuers' circulars and listing documents under the following circumstances:

(i) in the case of an IPO, valuations of and information on interests that form part of the applicant's (or, for debt securities, the guarantor's) property activities except for those with a carrying amount below 1% of the applicant's total assets and the total carrying amount of property interests not valued must not exceed 10% of the applicant's total assets; and that do not form part of the applicant's (or, for debt securities, the guarantor's) property activities if the carrying amount of a property interest is or is above 15% of the applicant's total assets;

(ii) in the case of an acquisition or disposal of any property interest, or of a company whose assets consist solely or mainly of property, where any of the percentage ratios of the transaction is or is above 25%, then a valuation of and information on the property should be included in the circular issued to shareholders in connection with the acquisition or disposal; and

(iii) interest or of a company whose assets consist solely or mainly of property (including a company listed on the Stock Exchange) from or to a connected person, a valuation of and information on the property must be included in any circular issued to shareholders in connection with the acquisition or disposal.

All property valuation reports must be prepared by an independent qualified valuer and contain all material details of the basis of valuation which must follow the HKIS Valuation Standards on Properties published from time to time by the HKIS or the IVS published from time to time by the International Valuation Standards Council and comply with the relevant requirements under the Main Board Listing Rules and GEM Listing Rules.

A property valuer is a qualified valuer only if:

(i) for the purposes of valuation of properties situated in Hong Kong, the valuer is a Chartered Surveyor of The Royal Institution of Chartered Surveyors (Hong Kong Branch) or Corporate Member of The Hong Kong Institute of Surveyors and carries on the business in Hong Kong of valuing properties and is authorised to do so by the rules of the relevant professional institution of which he/she is a member; or

(ii) for the purposes of valuation of properties situated outside Hong Kong, the valuer has the appropriate professional qualifications and experience of valuing properties in the same location and category to carry out the valuation.

## INTERNATIONAL REPORTING STANDARDS

### Technical standard of natural resources

1. *JORC Code*

The code is widely used in the mining and exploration field, with other companies using it as a template for reporting standards.

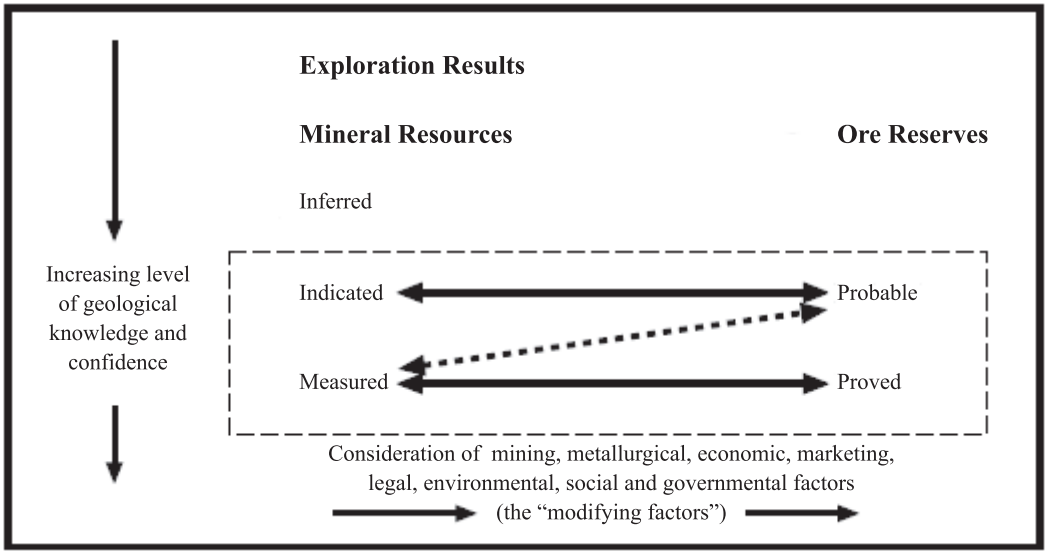
Mineral resources and reserves should be distinguished clearly, as this will affect the valuation of a mine. The difference between resources and reserves depends on the economical feasibility. Mineral reserves are of a higher degree of economical feasibility than mineral resources.

For mineral resources, they are classified as Inferred, Indicated or Measured based on the level of confidence for the estimations of tonnage, densities, grade and mineral content.

Inferred Resource is the one with a low level of confidence, Indicated Resource with a reasonable level of confidence, and Measured Resource with a high level of confidence.

As well, mineral reserves can be categorised to Probable and Proved.

Proved Reserve is the economically mineable part of a Measured Resource, while Probable Reserves is that of an Indicated Resource, and in some circumstances, a Measured Resource.




*Source:* JORC Code

This diagram illustrates the general relationship between exploration results, mineral resources and ore reserves. It depicts the framework for classifying tonnage and grades estimates to reflect different levels of geological confidence, different degrees of technical and economic evaluation.

According to the JORC Code, the competent person may convert Measured Mineral Resources to Probable Ore Reserves because of uncertainties associated with some or all of the modifying factors. This relationship is shown by the broken arrow in the diagram. Modifying factors include mining, economic, marketing, legal, environmental, social and governmental considerations. Inferred Resources are not able to be converted to Reserves, due to low level of confidence and uncertainty.

2. *NI 43-101*

It is a mineral resource classification scheme used for the public disclosure of information relating to mineral properties in Canada, developed by the Canadian Securities Administrators (CSA) as a strict guideline for how public companies can disclose scientific and technical information about mineral projects, which include press releases of mineral exploration reports, reporting of resources and reserves, presentations, oral comments, and websites. The NI 43-101 covers metalliferous, precious metals and solid energy commodities as well as bulk minerals, dimension stone, precious stones and mineral sands commodities.

The NI 43-101 requires substantially more technical disclosure to the market than the equivalent JORC Code, because the JORC Code is primarily a code for reporting the status of a mineral resource, whereas the NI 43-101 is one of the code of securities disclosure. The JORC Code is derived by the Joint Ore Reporting Committee, an independent mineral industry body formed from industry professional associations. The NI 43-101 is a code derived from the Canadian Securities Authorities.

3. *SAMREC Code*

The SAMREC Code was prepared by the South African Mineral Resource Committee (SAMREC) working group under the joint auspices of the Southern African Institute of Mining and Metallurgy and the Geological Society of South Africa. Companies are encouraged to provide information which is as comprehensive as possible in their public reports. The public reports must provide all relevant and material information, necessary for a reasonable and balanced judgment of the exploration results, mineral resource or mineral reserve to be made and should include a description of the style and nature of mineralization. The SAMREC Code takes a slightly different approach by requiring the approval of the competent person for parts of his work used in a public report.

**Valuation standard of natural resources**

1. *VALMIN Code*

It was prepared by the VALMIN Committee in Australia. Among the three reporting standards, the VALMIN Code gives the most thorough guidelines on valuation reports. It applies to both technical assessment, valuation of mineral and petroleum assets, and securities issued for a purpose regulated by the listing rules of recognised stock exchanges. There is no single approach which the VALMIN Code suggests to be more appropriate in valuing a particular type of mineral assets. The valuation may be affected by the nature of the financing arrangements for a project. The expert or specialist should therefore review any such commitments made and the form of financing, such as gold loans and commodity price hedging.

2. *CIMVAL*

It was published by Special Committee on Valuation of Mineral Properties in Canada. It has outlined the sections suggested in a valuation report, such as a Summary, an Introduction and Terms of Reference including Purpose of valuation, Valuation Date and Description of the reference, Scope of the Valuation, Compliance with the CIMVAL standards, Mineral Resources and Mineral Reserves, Valuation Approaches and Methodologies.

| Valuation approach | Exploration properties | Mineral resources properties | Development properties | Production properties |
|---|---|---|---|---|
| Income Approach *(Note 1)* | No | In some cases | Yes | Yes |
| Market Approach *(Note 2)* | Yes | Yes | Yes | Yes |
| Cost Approach *(Note 3)* | Yes | In some cases | No | No |

*Notes:*

1. The Income Approach is based on the principle of anticipation of benefits and includes all methods that are based on the income or cash flow generation potential of a mineral property.

2. The Market Approach is based primarily on the principle of substitution. A mineral property being valued is compared with the transaction value of similar mineral properties, transacted in an open market. Methods include comparable transactions and option or farm-in agreement terms analysis.

3. The Cost Approach is based on the principle of contribution to value. The appraised value method, is one commonly used method where exploration expenditures are analysed for their contribution to the exploration potential of a mineral property.

*Source:* CIMVAL

With reference to the CIMVAL, different valuation approaches are applied to different situations. For instance, income approach is not recommended for exploration properties (a mineral property that has been acquired, or is being explored, for mineral deposits but for which economic viability has not been demonstrated), whereas market approach is usually applicable. If the valuer strongly believes that one approach should be employed in a particular scenario, he/she must justify and explain why other approaches are not used.

3. *SAMVAL Code*

It was established by the Southern African Institute of Mining and Metallurgy (SAIMM) in 2002. SAMVAL Code contains relatively fewer restrictions as compared to the VALMIN Code and CIMVAL. Moreover, it is necessary for mineral companies to conduct a site visit by a competent evaluator or a competent person.

If Inferred Mineral Resource is included in mine design, planning or economic studies for public reporting, full disclosure and the effect on the results of the studies must be stated as well.

| **Valuation approach** | **Exploration properties** | **Development properties** | **Production properties** | **Dormant properties** | | **Defunct properties** |
|---|---|---|---|---|---|---|
| | | | | **Economically viable** | **Not viable** | |
| Cash Flow Approach *(Note 1)* | Not generally used | Widely used | Widely used | Widely used | Not generally used | Not generally used |
| Market Approach *(Note 2)* | Widely used | Less widely used | Quite widely used | Quite widely used | Widely used | Widely used |
| Cost Approach *(Note 3)* | Quite widely used | Not generally used | Not generally used | Not generally used | Less widely used | Quite widely used |

*Notes:*

1. The Cash Flow Approach relies on the "value-in-use" principle and requires determination of the present value of future cash flows over the useful life of a mineral asset.

2. The Market Approach relies on the principle of "willing buyer, willing seller" and requires that the amount obtainable from the sale of a mineral asset is determined as if in an arm's-length transaction.

3. The Cost Approach relies on historical and/or future amounts spent on a mineral asset.

*Source:* SAMVAL Code

In SAMVAL Code, it is stated that certain methods are widely recognised as unacceptable, such as multiplying in situ resources or reserves by a commodity price.

For example, income approach is preferred for both development and production properties than cost approach, which is similar to the CIMVAL. One thing different from the CIMVAL is that Dormant Properties and Defunct Properties will be taken into consideration in the SAMVAL Code.

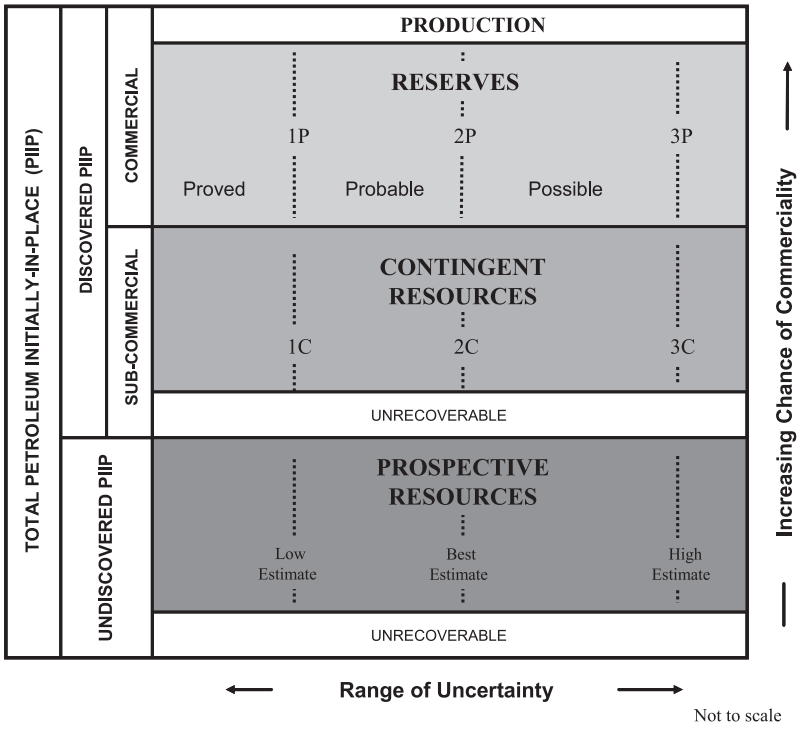
Dormant Property represents a mineral asset that is not being actively explored or exploited, in which the mineral resources and mineral reserves have not been exhausted, and Defunct Property is a mineral asset on which the mineral resources and mineral reserves have been exhausted and exploitation has ceased. The SAMVAL Code recommends various appropriate valuation approaches for dormant and defunct properties.

**Technical and valuation standards of Petroleum Resources**

1. *PRMS*

In 2000, the American Association of Petroleum Geologists (AAPG), Society of Petroleum Engineers (SPE), and World Petroleum Council (WPC) jointly developed a classification system, namely the Petroleum Resources Management System (PRMS), for all petroleum resources.

The following is a graphical representation of the SPE/WPC/AAPG/SPEE resources classification system. The system defines the major recoverable resources classes: Production, Reserves, Contingent Resources, and Prospective Resources, as well as unrecoverable petroleum.




*Source:* PRMS

The **Range of Uncertainty** reflects a range of estimated quantities potentially recoverable from an accumulation by a project, while the vertical axis represents the "Chance of Commerciality", that is, the chance that the project will be developed and reach commercial producing status.

**Reserves** are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorised in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterised by development and production status.

**Contingent Resources** are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent resources are further categorised in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterised by their economic status.

**Prospective Resources** are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. Prospective resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.

**Unrecoverable** is that portion of discovered or undiscovered petroleum Initially-in Place quantities which is estimated, as of a given date, not to be recoverable by future development projects. A portion of these quantities may become recoverable in the future as commercial circumstances change or technological developments occur; the remaining portion may never be recovered due to physical/chemical constraints represented by subsurface interaction of fluids and reservoir rocks.

**Valuation standard of other assets**

1. *IVS*

The International Valuation Standards Council has been in existence since the early 1980s. Its origins were in the need identified by a number of professional bodies from around the world for uniformity in the valuation approaches used in real estate markets. In the late 1990s it became clear that there was a need to consider valuation standards for other asset classes and since 2000 the International Valuation Standards Council has published comprehensive standards covering many types of tangible and intangible assets and businesses. The most recent edition was published in 2011.

Over the last decade, the IVS have been adopted or recognised by many valuation institutes, user groups or financial regulators around the world.

Events in the global economy during 2007 and 2008 have accentuated the need for valuation standards, especially in the financial markets. A lack of understanding not only of the risk profile of new or complex instruments but also of the valuation processes used for providing information to management, investors and prudential regulators has been identified as a significant contributor to the problems besetting the financial markets.

Even before the financial crisis the International Valuation Standards Council had recognised that because the IVS had been developed gradually over a long period there was a need for a thorough review to improve their focus, relevance and consistency. The market turmoil of 2007 and 2008 also served to emphasise the need for the standards to be more accessible and relevant to a much wider sector of the market than previously.

Following the restructuring of International Valuation Standards Council in late 2008 the newly appointed standards board confirmed a project to improve the IVS. The revised standards were published in 2011.

2. *HKIS valuation standard*

General Practice Surveyors provide opinion of values for different types of property for various purposes. Valuation advice plays a critical role in a variety of situations including sales, purchases, letting, property finance and strategic asset planning. The range of services provided by General Practice Surveyors cover:

*Transactional support services*

Services in this area include valuation and appraisal services during real estate transaction process, including sale and purchases, debt and/or equity raising through banks or through major securitisations. They also provide due diligence services and advice for potential buyers or investors, sellers and lenders, to maximise property assets and co-operate with all relevant parties to ensure a smooth transaction process. This may also include advice on corporate restructuring to maximise opportunities and minimise risks.

*Property financing services*

Property financing services include tailor-made services to bank clients in the industry that provide mortgage financing for property purchases. They also provide value indications and other valuable information for clients to formulate finance decisions.

*Corporate services*

Corporate services include review owners' and occupiers' real estate holdings to assess the value of its real estate assets, long term space requirements, strategic sale and leaseback potentials and other property demands. These services enable corporate clients to derive full utilisation of property resources via regular monitoring of their values and to investigate alternatives to ascertain best allocation of resources. This encompasses rateable values, rental values, capital values and

alternative use values within the context of taxation, occupation and investment. Their services also cover valuations of company portfolios for accounting purposes, investment performance, company floatations, takeovers and mergers.

*Land advisory services*

General Practice Surveyors provide all types of valuation and consultancy advice to unlock the potential values inherent in land, whether they are green or brown field sites. The services include site selection and acquisition/disposal of land, advisory and consultancy services via re-zoning and planning applications, government lease modification and premium and waiver fee negotiations. Other services include highest and best use analysis, comprehensive feasibility studies on future development schemes, structuring productive joint venture projects and alternative land use studies.

*Dispute resolution services*

General Practice Surveyors act as an expert witness, independent valuer or arbitrator in valuation disputes like lease renewal and rent review, statutory valuations relating to resumption and disturbance claims, rating, stamp duty and estate duty cases and the like.

By drawing together and analysing fundamental research data and up-to-date market and financial information, General Practice Surveyors maintain at all times independence and confidentiality to each and every client.

## STOCK MARKET IN HONG KONG

According to the SFC, the total market capitalisation of the securities market (including the Main Board and the GEM) at the end of 2012 was HK$21,950 billion, 25% higher than the year-end total market capitalisation in 2011. IPO activity was high during 2012. A total of 60 companies were listed by way of IPOs in Hong Kong, raising a total of approximately HK$89.8 billion. This made Hong Kong one of the leading IPO centres in the world.

Set out below is a summary of the number of companies listed on the Stock Exchange and companies newly listed on the Stock Exchange in Hong Kong from 2006 to 2012:

| | **Number of companies listed on the Stock Exchange** | **Number of companies newly listed on the Stock Exchange** *(Note)* |
|---|---|---|
| As at 31 December 2006 | 1,173 | 62 |
| As at 31 December 2007 | 1,241 | 84 |
| As at 31 December 2008 | 1,261 | 49 |
| As at 31 December 2009 | 1,319 | 73 |
| As at 31 December 2010 | 1,413 | 113 |
| As at 31 December 2011 | 1,496 | 101 |
| As at 31 December 2012 | 1,547 | 64 |

*Note:* Companies newly listed on the Stock Exchange included getting listed through IPOs, by introduction or transfer from GEM; but excluded listed securities other than equities such as REITs and government bonds.

*Source:* SFC

As illustrated in the table above, the number of companies listed on the Stock Exchange increased from 1,173 in 2006 to 1,547 in 2012; and the number of IPO activities in Hong Kong ranged from 49 to 113 during 2006 to 2012.