

Date: 24th December,

OSK Securities Hong Kong Ltd.

SFC registration no.: AKY572

**Consultation Paper on proposals to enhance the
regulatory regime for non-corporate listed entities**

23 November 2012

Question 1. Do you agree that Parts XIII and XIV of the SFO should be amended so that these Parts expressly cover listed entities that are not in corporate form?

Answer.

Yes, I agree that Parts XIII and XIV of the SFO should be amend so that these Parts expressly cover listed entities that are not in corporate form. The amendment is necessary to protect interest of the public investors from crime and misconduct when they are investing in such entities since these type of listed entities seems to become increasing in number and more popular in the local market and in the international market also.

Question 2. Do you agree that Part XV of SFO should be amended so that it expressly covers listed entities that are not in corporate form?

Answer.

Yes, I agree that Part XV of SFO should be amended so that it expressly covers listed entities that are not in corporate form. Again, it is important for the disclosure of interests in the non-corporate listed entities. Its overriding objective is to provide investors in non-corporate listed entities with more complete and better quality information on a timely basis to enable them to make informed investment decision.

Question 3. Do you agree that Parts VIII and X of the SFO should be amended to extend the SFC's powers under these Parts to all listed entities?

Answer.

Yes, I agree that Parts VIII and X of the SFO should be amended to extend the SFC's powers under these Parts to all listed entities. It is meaningless to amend the rules and regulations without providing SFC with the suitable powers to supervise, investigate and intervene or to apply to court for injunctions and other orders to remedy or regulate crime, misconduct, inadequate disclosure or oppression in the affairs of non-corporate listed entities.

Question 4. Do you have comments on the proposal to extend the statutory disclosure requirement for PSI in respect of listed corporations under Part XIVA of the SFO to listed CIS and other listed entities?

Answer.

My personal comment is that the statutory disclosure requirement for PSI in respect of listed corporations under Part XIVA of the SFO must be extended to listed CIS and other listed entities for the protection of investors. Since non-corporate listed entities are managed and run by another corporation or management team, there are always chances for fraud and misconduct. Disclosure of information is a crucial practice.

Question 5. Do you have any comments on the examples of events or circumstances where the management company of listed CIS/other listed entity should consider whether a disclosure obligation of PSI would arise under the SFO?

Answer.

All examples of events or circumstances where the management company of a listed CIS/other listed entity strongly indicate the necessity to extend the disclosure requirement to listed entities such as REITs, ETFs, unit trust and mutual fund etc.

Question 6. Do you have any comments on our proposal set out in paragraph 45 above?

Answer.

My comment on the proposal set out in paragraph 45 above is that such proposal should be passed and enforced as soon as possible. This will ensure transparency in all listed DRs so that the investors have a clear picture before they invest in the DRs to avoid unnecessary risk.

Question 7. Do you agree with our proposals set out in paragraphs 58 and 59 above?

Answer.

Yes, I agree with the proposals set out in paragraphs 58 and 59 above because the convertibility of the debentures is crucial to the investors because it directly or indirectly affects the rights and interest of each debenture holders in the concerned corporation. The debenture is not just a loan to the corporation but a instrument to hold share in the corporation. All debenture holders need to know there own rights compared with the rights of other debenture holders.

END