

Response to Questions 6 and 7. Question 6: No Question 7: No As a practical matter, it would be extremely difficult to determine what are "highly correlated securities" based on the definitions as set out in 38 (a) and (b). 1. The definition provided in 7(b) are too wide and open to different interpretations. What is considered "high correlations", "material cross-shareholding", significant business affiliations. Who will make the determination as to which are "highly correlated securities" 2. Engaging in the same industry should also not be a factor to consider. For example, HSBC is a substantial shareholder of Heng Sang Bank, and both are in the same industry (Banking) but they have very different risks and profiles. Does the intermediary need to distinguish between an international bank and a local bank? 3. How would smaller brokerages effectively and economically obtain the information on each of the securities to even make the determination as set out in Question 6 and 7. 4. The status of any company is subject to change (shareholding and business), how often are updates required to adhere to this section.