

25th January, 2014

The Securities and Futures Commission
35/F Cheung Kong Center
2 Queen's Road Central
Hong Kong

Dear Sirs,

Consultation Paper on Amendments to the Code on Real Estate Investment Trusts (the "Consultation Paper")

I refer to the consultation paper on amendments to the Code on Real Estate Investment Trust ("Consultation Paper") issued by the Commission on 27th January 2014, we would like to submit our comments and views on the proposed amendments.

1. Do you consider that flexibility in respect of property development investments and related activities should be introduced for REITs?

We are of the view that the flexibility in respect of property development investments and related activities should not be introduced for REIT due to the following:

- The risk profile of investors who invest in REIT is totally different from the investors who invest in property company
- REIT manager who has been performing well in managing income-producing assets may not have the necessary expertise in managing property development. Giving the flexibility to the REIT manager to invest in development will increase the uncertainty of stability of income
- REIT has been a distinct category of stable investment with lower risk comparing to property developers. To allow REIT to invest in property development will cause confusion to individual investors

2. Do you consider that the 10% GAV Cap is set as an appropriate threshold?

- This basis is very aggressive, maybe 5% GAV cap will be more appropriate

6. Do you have any comments on the proposed scope of the Relevant Investments and the proposed Maximum Cap

- I am strongly against this flexibility to allow REIT managers to invest in non-real estate assets
- The investors who invest in REITs are mainly looking for stable income. Giving this flexibility will hugely increase the risk profile of REITs

- REIT managers may not have the necessary skills set to invest in different non real-estate investments
- REIT managers may have incentive to invest in more speculative type of assets class which may not be beneficial to unitholders

As REIT is stable type of investment, change the scope of the Investment mandate will not benefit to the unitholders. I do not support the proposals in the Consultation Paper. Please reconsider the suggested amendments to ensure that interest of unitholders is protected.