

As an investor I strongly oppose the amendments for the following reasons: 1) If I want exposure to development I can invest in the securities of developers, I do not need REITS to do this. 2) I want my REIT managers to focus on one thing: managing their properties with no distractions 3) Reit managers do not have development expertise and finding it a) increases cost for only a small part of the overall portfolio as full development expertise is needed, b) their expertise will always be worse than the proper developers. 4) As an investor I want to be able to choose between the short-term, high financial risk that comes with property development and a longterm stable cashflow investment. This proposal takes that choice away and reduces my investment options in the HK market. 5) This looks like investment scope creep, which as most investment professionals know is not good for a fund as it moves out of area of expertise and investors end up picking up the bill. Fund managers generally like it as they wrongly believe it makes their fund outperform as they move into someone else's expertise.