

The Hong Kong Association of Online Brokers Limited

The Hong Kong Association of Online Brokers Chairman's Report (2009-2010)

I am pleased to present my report on The Hong Kong Association of Online Brokers Limited ("HKAOB"). During the period of 2009/2010, I represented OSK Securities Hong Kong Limited and served as Chairman.

During the period of 2009/2010, HKAOB conducted the following activities to fulfill the objective of the Association:

1. Responded to various market consultations issued by HKEx, SFC and Financial Services and the Treasury Bureau. The most significant ones include:
 - (a) Consultation on the introduction of T+2 Finality Arrangement for CCASS Money Settlement
 - (b) Consultation Paper on Proposals to Enhanced Protection for the Investing Public.
 - (c) Consultation on the Proposed Establishment of an Investors Education Council and a Financial Dispute Resolution Centre
2. Participated in various meetings/functions held by market regulators, including:
 - (a) Regular meeting with SFC and HKEx
 - (b) Annual meeting with SFC Process Review Panel
 - (c) Luncheon with Charles Li, Chief Executive of HKEx
 - (d) Regular industry practitioners meeting organized by Hon Chim Pui Chung, Legislative Councillor
3. Participated in various functions organized by HKSAR Government to promote the status of Hong Kong as an international financial centre. The key functions include:
 - (a) 京港金融服務合作論壇 in Beijing
 - (b) The 3rd Asian Financial Forum in Hong Kong
 - (c) The Finance Forum in Shanghai

4. Participated in joint functions organized together with other industry organizations including:

- (a) 2010 Chinese New Year Cocktail Party
- (b) Farewell dinner party for Mr. Paul Chow, Chief Executive of HKEx
- (c) Dinner party to celebrate the Great Bauhinia and Gold Bauhinia Medal awardment for Mr. Ronald Arculli and Mr. Paul Chow

In order to educate the investing public the proper investment attitude and the ways in making informed investment decisions, Ms. Angela Yau of Guoco Capital Limited represented the Association to participate in a radio talk show program jointly produced by SFC and Commercial Radio. In future, the Association will look for similar opportunity to convey educational messages on online trading

As for membership, we have admitted Daily Growth Securities Limited as Full Member and Megahub Limited as Associate Member. Total number of members now stands at 20 (17 Full Members and 3 Associate Members). We have also appointed Mr. James Cheng of Daily Growth Securities Limited as Director of the Executive Committee.

Comparing to other industry organizations, we are still a relatively new set-up. However, we have been building up our market recognition and have been actively participating in maintaining the forum for market regulators and industry practitioners to discuss issues relating to online trading. I hope all Members can continue our effort in promoting the objectives of the Association and actively participating in various activities so as to increase the representation of the Association within the industry.

Steve Chan
Chairman

September 27, 2010