

Report of the Special Committee on Investment

The Special Committee on Investment was formed to make suggestions on the long-term and short-term investment strategies for the Bar with the assistance of professional investment advisors, currently RBC Investment Services (Asia) Limited (*formerly known as RBC Dominion Securities*). The investment approach of the Bar has been prudent, aiming at achieving long-term growth.

1. **Short Term Investments.** We purchased additional bonds during the financial year October 2011 – September 2012: Shui On Development, Franshion Development, Swire Pacific Finance and Westpac Banking. In addition to the following bonds already in the portfolio, we now hold a total of 11 bonds, primarily denominated in US dollars: HSBC Holdings PLC; Household Finance Corp; Hutchison Whamp Ltd.; Hong Kong Airport Authority Euro Bond; Hong Kong SAR Government Bond and Swire Props. The total market value of these bonds, excluding the newly purchased bonds, has decreased by 1.713%*, but the accrued income from these bonds has amounted to HK\$907,144.19, which is a respectable return.
2. **Long Term Investments.** The Bar is currently holding shares of the Hongkong and Shanghai Banking Corporation Limited, Hang Seng Bank Limited, Swire Pacific 'A' and China Construction Bank Corp. The last two items were new purchases during the financial year October 2011 – September 2012. We have collected decent dividends from these holdings, amounted to \$708,089.08 for the period.

Membership:

Robert G. Kotewall SC

Horace Wong SC

Robert G. Kotewall SC

Special Committee on Investment

*as at the end of September 2012