

Dear Sir,

On behalf of the A2A group of companies, I write to you in support of your efforts to open up the market for better investment opportunities for investors and for SMEs to raise funds.

A2A Capital Management Inc. is based in Toronto and manages land assets on behalf of investors in Asia. The A2A group is interested to make these investment opportunities available in Canada to Canadian citizens through the issue of securities of investing entities. These securities are intended to be sold through established regulated channels. We have been exploring these avenues, and lately, have been assessing the use of the exempt market dealer (EMD) channels to raise funds in Alberta and other provinces for our projects. We believe the OSC's deliberations to open the same channels in Ontario through the use of an Offering Memorandum exemption is a progressive step in the right direction.

To be able to ensure integrity in the marketplace for funds, it is clearly in the interests of all parties to ensure protection of the investing public, while providing a means for the market in general to reasonably achieve an efficient allocation of economic resources. In our opinion, to achieve this balance, a combination of aspects should be kept in mind:

- Making Ontario an attractive center for source of funds for the SME sector, to ease the difficulty of raising business financing primarily through financial institutions;
- Building up more economic activity in Ontario for the business community;
- Practicing an acceptable level of disclosure to investors through a more practical document like an Offering Memorandum, without the high costs of a prospectus; and
- Providing alternative investments to the public versus more volatile investments.

With the above as over-arching themes, some of the specific areas for consideration include:

1. Monetary Limits. There should be more practical limits imposed for EMDs, issuers and investors.
  - a. At the investor level, we would like to bring the minimum to \$10,000.
  - b. For the issuer, given the costs of the OM preparation, we would also respectfully submit that raising only \$1.5M will not create sufficient economic incentive, as it may not be enough to defray related expenses.
  
2. Disclosure requirements.
  - a. We submit that adoption of the 45-106F2 form is acceptable. Given that it is used by all other jurisdictions, this will also achieve consistency and uniformity with other provincial regulators.
  - b. Full disclosure to the investors should be practiced where EMDs sell related issues.
  
3. Extending the Accredited Investor (AI) exemption  
Consider expanding on the AI exemption by using other criteria including relevant work

experience and other professionally recognized educational qualifications.

With the above considerations in mind, we at A2A believe we will be able to work with established channels for raising market funds for investment in Ontario as has been successfully done by other SMEs in other provinces in Canada.

I look forward to hearing more as you progress your efforts in this area.  
Thank you.

Sincerely  
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