

Speech by CE at HKEX 21st Listing Anniversary Celebrations (English only) (with photos/video)

Following is the speech by the Chief Executive, Mrs Carrie Lam, at the Hong Kong Exchanges and Clearing Limited (HKEX) 21st Listing Anniversary Celebrations today (June 16):

Laura (Chairman of HKEX, Mrs Laura Cha), Nicolas (Chief Executive of HKEX, Mr Nicolas Aguzin), members of the HKEX Board, ladies and gentlemen,

Good afternoon. It gives me great pleasure to join you here today at Connect Hall in celebration of HKEX's 21st anniversary. We should have come together to celebrate the Exchange's landmark 20th anniversary last year if not because of COVID-19. But turning 21 is a big deal, and I am sure this special day is just the beginning of great things to come.

As we have not come out of the pandemic, many of HKEX's partners and friends, I understand, are joining this occasion through HKEX's market website – a warm welcome to all of you. Of course, I am delighted to also officially welcome Mr Nicolas Aguzin, or "Gucho" as you people love to call him, who's now into his fourth week on the job as Chief Executive of HKEX. I am sure Nicolas, with his wealth of Asian and international experience, will lead the Exchange which has just entered adulthood to spread its wings.

In two weeks' time, Hong Kong will celebrate the 24th anniversary of the Reunification and I will embark on the final year of the Chief Executive's five-year term. Looking back, it has been a turbulent period putting to severe test not only Hong Kong's fundamentals, but also our institutional resilience, and no doubt my own personal strength. I am pleased to say that Hong Kong lives up to our reputation as an international financial centre - rules-based, reliable and resilient. And HKEX has certainly stood strong amid those daunting challenges, contributing significantly to Hong Kong's status as a premier fund-raising centre and an international financial capital. And here, figures speak louder than rhetoric.

Last year, more than HK\$400 billion in funds has been raised here through initial public offerings (IPO), up over 27 per cent, year on year. The average daily turnover in our stock market last year came in HK\$129.5 billion, that was 48.5 per cent above 2019 totals. Results to date this year are likewise encouraging. In the first five months of 2021, HKEX raised some HK\$183.9 billion in funds through IPOs. These figures reflect that our earlier efforts in strengthening our capital market are yielding results. Among those efforts, the listing regime for companies from emerging and innovative sectors launched in 2018 has been a sterling success in boosting Hong Kong's competitiveness as a premier listing venue of choice. In the three years since the new regime, some 50 companies have listed and

they now account for about one quarter of our total stock market capitalisation. And, in just three years, Hong Kong has become the world's second-biggest biotech fundraising hub. And I gather the HKEX is also working to enhance the competitiveness of the secondary listing regime.

As the international financial centre of our country, Hong Kong strives to connect Mainland China's capital markets with the world. The Connect programmes, including Stock Connect and Bond Connect, play a key role on this front. We are glad that pre-revenue, pre-profit biotechnology companies listed under HKEX's new listing regime have recently been included in the Southbound Trading of Stock Connect, and we look forward to further expansion of the scope of eligible securities in the future. We are equally looking forward to the early launching of the Wealth Management Connect, which will mark another important milestone for the Mainland's capital account liberalisation.

This year marks the beginning of our country's 14th Five-Year Plan, which supports Hong Kong's status as an international financial centre, as well as a global offshore renminbi business hub, international asset-management centre and risk-management centre. The Plan also endorses the expansion of mutual access between the financial markets of Hong Kong and the Mainland. The Plan represents a lot of development opportunities for Hong Kong, the financial services sector very much included, and I am delighted to see that the HKEX is well prepared to seize those opportunities. Your investment in the newly established Guangzhou Futures Exchange establishes a welcome Hong Kong presence in the Greater Bay Area. What's more, the launching, in last December, of your Sustainable and Green Exchange supports my Government's determination for Hong Kong to become the Greater Bay Area's and the region's green finance hub, and to contribute to the green transition of the Mainland economy. I'm also pleased to note your efforts in the past year in promoting the commodities markets through the London Metal Exchange and Qianhai Mercantile Exchange.

To stay ahead of the game, especially in a highly competitive sector like finance, we need to stay alert, seize opportunities timely, innovate continuously and apply technology vigorously. And all these market initiatives could be promoted and supported by a more proactive government. In this term of the HKSAR Government, I have been advocating new roles for the Government that go beyond the conventional regulatory and service provision functions; the relevant bureaux and public bodies have to play the roles of a facilitator and a promoter. For example, in order to raise Hong Kong's competitiveness as an international financial centre, the Government has introduced a total of seven pieces of legislation in the past two years which have all been approved by the Legislative Council. They cover a wide range of industries including the securities industry, the insurance industry and the asset management industry, as well as the Mandatory Provident Fund (MPF) system. As regards promotion, HKEX is a member of my team at the Davos World Economic Forum and I look forward to more such opportunities to help dispel some mis-representation of Hong Kong overseas.

What Hong Kong has achieved while weathering the storm in the past two years is due to the collective efforts of regulators, financial institutions,

market practitioners and investors. I wish to take this opportunity to thank them all and hope that we will together join hands to welcome those greater things to come. Meanwhile, our community's first priority is to remove that cloud over our economy by pushing for vaccination, which is offering the world around the glimpse of hope. We have already seen how a high vaccination rate has significantly lowered the number of infections and facilitated the return of normality in some places. That is what Hong Kong should aim for, and that is why we have launched the Early Vaccination for All campaign a couple of weeks ago. I am pleased that public bodies and private enterprises, HKEX included, have been quick to act, not only making it easier for their employees to take the jab but also offering various rewards for members of the public who have been vaccinated. I am even more pleased that vaccination rate has indeed been picking up since the launch of the campaign. Hopefully, by the end of August, the vaccination rate will be high enough for Hong Kong to build an immunity barrier.

My congratulations to the HKEX on its 21st Anniversary, and I look forward to working together with HKEX in the coming year to build a bright future for Hong Kong. Thank you.

