

Speech by FS at Hong Kong Investor Relations Association 15th Anniversary Summit and Cocktail Celebration (English only) (with photos/video)

The following is the speech by the Financial Secretary, Mr Paul Chan, at the Hong Kong Investor Relations Association (HKIRA) 15th Anniversary Summit and Cocktail Celebration today (December 15):

Eva (Chairman of the HKIRA, Dr Eva Chan), Bonnie (Co-Chief Operating Officer of the Hong Kong Exchanges and Clearing Limited (HKEX), Ms Bonnie Chan), ladies and gentlemen, investors and believers in Hong Kong all,

Good afternoon. I am pleased to join you for today's Hong Kong Investor Relations Association's Summit. We come together on this good day to mark the Association's 15th anniversary. To honour each and every one of you and the valued work you do – day in and day out – for Hong Kong.

I'm told there are more than 300 of you who gather here today for this afternoon's Summit and tonight's cocktail celebration. You are CFOs, IROs, company secretaries, company directors, fund managers and research analysts. You are chairmen, presidents and CEOs of professional bodies. In short, distinguished leaders in our business community.

And, over the past 15 years, you and your Association have played a pivotal role in bolstering Hong Kong's longstanding position as a leading international financial centre.

That's not surprising, of course, given that most of the Association's 1 300 members work for companies primarily listed on the Hong Kong Stock Exchange, and that some 70 per cent of the Hang Seng Index Constituent Stock companies are Association members.

In advocating best practices in investor relations and corporate governance, and in ensuring that the industry's continuing professional development needs are met, the Association has made valuable contributions to our financial market.

Weathering challenges ahead

Ladies and gentlemen, we are now living through the complexities of the post-pandemic economy. Macroeconomic factors, ranging from heightened geopolitical tensions, to high interest rate environment, and to supply chain disruptions caused by geo-economic fragmentation, continue to impede global markets. And that includes Hong Kong.

While there are ups and downs in our stock market, it is important to note that the Government, together with the financial regulators, is closely

monitoring all sectors of the financial market and stay vigilant against emerging risks. So far, there is no cause for concern on financial stability and security.

But beyond stability and security, we are actively striving to further develop and enhance our markets. We need to keep reinventing ourselves so as to stay ahead of our competition.

We are taking forward the recommendations of the Task Force on Enhancing Stock Market Liquidity to improve our listing regime, market structure, trading mechanisms to attract more international companies to come to list in Hong Kong, and draw more new international and Mainland capital to our market.

For example, ASEAN (Association of Southeast Asian Nations) and the Middle East are burgeoning, and they are also keen to seek new capital and explore new markets. Over the past few months, we have included Saudi Exchange and Indonesia Stock Exchange into the list of Recognized Stock Exchanges.

Just a few weeks ago, Asia's first Saudi Arabia ETF (exchange-traded fund) was listed in Hong Kong, allowing local and international investors to invest in the Saudi market through Hong Kong using Hong Kong Dollar or Renminbi.

With our enduring efforts, we are confident that more companies from ASEAN and the Middle East will come to Hong Kong for fund raising and use our various professional services, investor-related services included, of course.

Let me make this clear: despite short-term market conditions, we are optimistic about the future of our market and are committed to solidifying our position as Asia's leading global financial centre.

Enhancing ESG (environmental, social and governance)

Meanwhile, allow me to highlight another area important to maintaining the competitiveness of our financial market. That is ESG.

As the world acts together towards achieving carbon neutrality, investors increasingly consider companies' performance on ESG as a core factor in making investments. ESG is indeed becoming an important measure of companies' resilience and effective risk management.

I am pleased to note that Hong Kong's companies are moving fast on ESG. In November last year, with your support, the HKEX conducted its first review on ESG reporting made by issuers. We are happy to see that over 95 per cent disclosed their company's oversight and management approach on ESG-related matters, and 85 per cent acknowledge climate-related risks.

Meanwhile, the world is moving fast on ESG disclosure standards too. I am sure you are aware that the ISSB (International Sustainability Standards Board) published its final Sustainability Disclosure Standards in June this

year. I understand the HKEX will be finalising the relevant Listing Rule amendments for adoption in January 2025.

The Government will collaborate with financial regulators and stakeholders to develop a roadmap to guide the adoption of the ISSB's Sustainability Disclosure Standards for Hong Kong's financial services sector.

Concluding remarks

Ladies and gentlemen, the Hong Kong Investor Relations Association is a key stakeholder and strong advocate for excellence in corporate governance practices, particularly when it comes to enabling communication between corporate management and the investment community. For that, and a great deal more, I am grateful.

Hong Kong's success as an international financial hub depends on the collaborative efforts of all of us. Of everyone involved in the financial services sector, everyone who plays a part in advancing the Hong Kong economy.

I wish you all a rewarding Summit, a happy holiday season and a healthy and prosperous new year.

Thank you.

