

Transcript of remarks by CE at media session before ExCo (with video)

Following is the transcript of remarks by the Chief Executive, Mr John Lee, at a media session before the Executive Council meeting today (September 19):

Reporter: Good morning, Mr Lee. Some English questions. The first question, with the recent incident involving the cryptocurrency exchange JPEX in Hong Kong, how would this affect the city's ambition to be a hub for virtual assets and Web3.0? Will this incident affect investor confidence in the city in these areas? Secondly, with the recent launch of measures targeting tourists from Hong Kong by the Government of Shenzhen, do you believe the Government's Hong Kong Night Vibes campaign will not be enough to retain residents to spend money in the city, and would more measures be brought forward to make the campaign more attractive? Thank you.

Chief Executive: The incident regarding JPEX actually reflects the necessity for proper regulatory system for virtual assets trading. The licensing regime that has been introduced is exactly for that purpose, that is, to protect investors so that they can invest under very effective regulatory system, to ensure that their assets and their investments are protected, and to ensure that there will be good risk-control system that ensures the money they put into the investment will not be abused by the platform. This incident highlights the importance that when investors want to invest in virtual assets, then they must invest on platforms that are licensed, that are regulated by the SFC (Securities and Futures Commission). The SFC will monitor the situation very closely and ensure that investors are sufficiently protected.

What is also very important is investors understand very well the operational mode and the risks involved and, most importantly, only invest on platforms that are regulated by the SFC. This is the only way to ensure that their investments are protected. There have been platforms outside Hong Kong and also platforms that existed before our licensing regime commenced. The purpose of having a licensing regime is to let investors know that if they want to ensure that they are well protected, then consider investing only on platforms that are regulated. For other platforms that are not regulated by the SFC, there will be a lot of risks. They have to anticipate that.

That is why we will be doing more public education for investors to know the risks, how investments operate on such platforms, and how our licensing regime will ensure that what platforms are sufficiently regulated for investors to place their investments on. This afternoon the SFC and the Police will be meeting the media to explain the case and also what they are doing to protect investors.

As regards our night activities campaign, we have to understand that we are not aiming at some short-term measures or campaigns just to raise a

particular new style of living and spending their time. What we intend to do is to have it run as a very regular series of events, so that people can get out of their former habits of staying home early. After three years of COVID attack, what we want to do is to organise activities so that, first of all, people will be interested to come out and stay perhaps longer in the evening. Activities will mean more people; more people will mean more business and more consumption, which will be good for the overall economic development.

The whole intention and purpose of this Night Vibes Hong Kong programme is to develop a new culture for people to enjoy their night activities more. There will be different varieties of activities that we will introduce. At the present moment, of course, there will be commercial arcades opening for much longer hours, there will be promotion and coupons for people to get extra treatment for their spending and, of course, there will be activities such as performances and broadcasts. Also, maybe some open areas will be organising things that will be of interest to people to come out and see, including activities that will be organised for the younger generation.

The other thing is, as we go through the whole programme, there will be things that will be added to it, there will be changes we'll make and, of course, where we will be able to in some way identify interesting points or interesting attractions, then we can focus our areas on developing those areas of special interests by people. It is a combination of a lot of things, a lot of initiatives and a lot of different modes of attractions. The intention is as we progress, the entrepreneurship, the innovation and the vibrancy of Hong Kong can come back through testing at different places and then adding extra activities as we proceed. I believe in Hong Kong people's resilience, innovation, and also their energy in creating attractive activities and modern mode of business consumption. I think if we all together work towards that goal, we will be able to lift night activities to a next level.

(Please also refer to the Chinese portion of the transcript.)