

## **Press release**

### **Government welcomes report on SFC's review of Exchange performance**

Tuesday, February 19, 2008

The Government today (February 19) welcomed publication of the report on the Securities and Futures Commission's (SFC) annual review of the Exchange's performance in its regulation of listing matters, covering the operation of the Stock Exchange of Hong Kong Limited in 2006.

The SFC's review report looked at the Exchange's operational procedures and decision-making processes in its regulation of listing matters as a whole. It also reviewed sample cases in order to understand how the Exchange's policies work in practice and to verify whether the Exchange's practices follow its policies. Having reviewed the Exchange's operational procedures and decision-making processes during 2006, SFC is of the view that they were appropriate during the review period to enable Exchange to discharge its statutory obligation to ensure an orderly, informed and fair market.

The report has also identified areas of potential improvement, and made constructive recommendations with respect to the Exchange's administration of the listing regime.

“The conduct of the annual review represents concerted and continuous efforts by the commission and the Exchange to seek enhancement to the regulatory regime for the securities market in Hong Kong on an ongoing basis. We look forward to seeing the commission and the Exchange keeping up the momentum in furtherance of the development of our securities market,” a government spokesman said.