

**Speech by SFST at Hong Kong Institute of Directors  
Annual Dinner and Presentation of Directors of the Year Awards 2007  
(English only)**

Tuesday, November 27, 2007

Following is a speech by the Secretary for Financial Services and the Treasury, Professor K C Chan, at Hong Kong Institute of Directors Annual Dinner and Presentation of Directors of the Year Awards 2007 today (November 27):

Peter (Wong), distinguished guests, ladies and gentlemen,

It's a pleasure to be here with you to celebrate the institute's 10th anniversary and to recognise the 10 awardees this evening. My warm congratulations to all of the winners. You have led by example in promoting and implementing best corporate governance practices in your respective directorships. As "Vanguards of Corporate Governance", I trust that you will continue to serve as role models for others.

Today also happens to mark my 150th day on the job as Secretary for Financial Services and the Treasury. Despite having been away from the halls of academia these past five months, I remain as convinced as ever of the vital importance of education and life-long learning to Hong Kong's continued success and development. That's why I am especially glad to spend this evening amongst friends who clearly share my commitment to providing quality training for our business leaders present and future.

Training is of particular importance to corporate governance because it is a culture that government and regulators cannot simply legislate or enforce. The institute has been a great partner with the Government in the past decade in promoting corporate governance and providing corporate governance training for directors, doing its part in enhancing Hong Kong's position as an international financial centre (IFC).

As an IFC and a premier capital formation hub for China, good corporate governance is not an optional extra, but an essential element in attracting investment and supporting our market growth. Hong Kong is recognised as a regional leader in corporate governance, and we have ranked well in recent surveys and studies. Mainland enterprises look to list here for raising funds as well as raising their corporate governance standards. The presence of world class professionals, including lawyers, accountants, auditors, and of course, knowledgeable and ethical Directors, is part and parcel of what makes Hong Kong attractive and competitive.

So, while on the one hand, we are here to applaud the achievements of our "star" directors, I would also like to take this opportunity to recognise the indispensable role of the "trainer". It is through the hard work and efforts of the trainer that the performance of all our market players are constantly challenged and taken to the next level. I commend the institute's foresight and tireless efforts in playing the role as trainer for directors, having organised more than 500 seminars, talks and workshops for some 15,000 attendees. I understand that more than 200 have already graduated from the institute's diploma programme. The institute has also organised seminars and certificate courses that are conducted in Putonghua for directors and senior executives of Mainland enterprises listed in Hong Kong and for enterprises, associations and governmental bodies from the Mainland. We continue to look to the institute in providing continuous, professional and quality training on corporate governance in the years to come.

On the part of the Government and regulators, it is our duty to maintain a fair, transparent and orderly financial market. One of the more recent initiatives to come on line is the establishment of the Financial Reporting Council (FRC), a new statutory body empowered to investigate accounting and auditing irregularities of listed companies. The FRC will be working closely with other regulators to safeguard our financial reporting standards.

Ladies and gentlemen, the investing public relies on all our directors to exercise care, due diligence and integrity in overseeing the performance of the management and upholding good corporate governance practices. With our continuous efforts and shared commitment Government, regulators, professional bodies and dedicated professionals, will together to serve the interests of the investing public, and in so doing, contribute to the development of our economy.

Thank you.

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