

**Transcript of SFST's remarks on development of
renminbi market in Hong Kong**

Wednesday, March 23, 2011

Following is the transcript of remarks by the Secretary for Financial Services and the Treasury, Professor K C Chan, at a media session at the China Economic Development Forum today (March 23):

Reporter: ... raise the interest rate on yuan as reported?

Secretary for Financial Services and the Treasury: I have just told the Chinese media that as far as I can recall, I think there is a denial of such reports by the Hong Kong Monetary Authority. The development of the renminbi market in Hong Kong is doing well and the deposit is growing at a very good rate. We expect there will be further development and more offering of investment products, including the yuan bonds in Hong Kong, which will contribute together to a much more interesting and diversified investment product market in Hong Kong. These will contribute to the growth of the offshore renminbi market.

Reporter: Will the increase of interest rate happen in the next few months?

Secretary for Financial Services and the Treasury: I have no further comment on that. I think generally the market is doing well.

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