

**Transcript of remarks at press conference on demand-management  
measures of residential properties (with photo/video)**

Friday, October 26, 2012

Following is a transcript of remarks at the question and answer session of the press conference on demand-management measures of residential properties held in the Auditorium, Central Government Offices, Tamar, today (October 26). Attending the press conference were the Financial Secretary, Mr John C Tsang; the Secretary for Financial Services and the Treasury, Professor K C Chan; the Secretary for Transport and Housing, Professor Anthony Cheung Bing-leung; the Secretary for Development, Mr Paul Chan; and the Government Economist, Mrs Helen Chan.

Reporter: Could you tell us how you've arrived at the three-year period considering its possible impact on genuine home buyers, and also you've mentioned that property prices are probably going to stay high for a long time, so do you expect the deterrent effect of the adjusted SSD to last until we have enough supply of new flats?

Financial Secretary: As I mentioned in my statement, what we have seen is that with the introduction of the SSD earlier, the short-term speculative activities, meaning activities within a year, have virtually disappeared. But recently we have seen a rise, a resurgence of activities for the period of about 12 to 24 months, so we thought it would be necessary perhaps to extend that period. And moreover the Federal Reserve has indicated quite clearly that they would maintain a low interest rate environment at least until the middle of 2015 - that's another three years. And so in the next three years we can't really relax, and so what we have done is if we were to extend that for a three-year period we would be able to create a further deterrent effect for people who would be doing the short-term speculative activities by extending our term from two years to three years.

Reporter: (inaudible)

Financial Secretary: This activity basically targets the speculative activities and I think for most genuine home buyers it would not affect them, because they would not be re-selling in a short period of time.

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

Ends

