

Press release

Transcript of SFST's remarks

Thursday, November 25, 2010

Following is the transcript (English portion) of remarks by the Secretary for Financial Services and the Treasury, Professor K C Chan, after officiating at the grand opening ceremony of an investment management company today (November 25):

Reporter: Has mini-QFII been shelved? There have been reports on this.

Secretary for Financial Services and the Treasury: No, not to my knowledge. I haven't heard that (mini-QFII) has been shelved. As far as I know, all the concerned parties are actually working on it.

Reporter: Has the approval process of mini-QFII been slowed down in connection with the inflow of hot money?

Secretary for Financial Services and the Treasury: No, I haven't heard of that connection either.

Reporter: But originally people are expecting mini-QFII be launched in October and we haven't seen any progress on that. So is it likely at all that mini-QFII will be launched this year?

Secretary for Financial Services and the Treasury: I don't comment on time schedule. There are a lot of market speculations about the timing of various measures. We should know that a lot of these policy initiatives have to be accompanied with guidelines and arrangements. So it takes time for these policies to be implemented.

Reporter: There have been some volatilities in the Hong Kong market recently, how do you see the Hong Kong market in the coming months?

Secretary for Financial Services and the Treasury: Of course, we are affected

by the macro-economic situations around the world. First of all, we all talk about QE2, which is loose money from the US. Recently, we are also concerned about the development of the European debt situation. There is also geo-political risk highlighted by the Korean situation. So I think there are a lot of factors affecting the volatilities in the market generally, and Hong Kong will of course be affected by all these factors.

Reporter: Would the IPO market in Hong Kong...

Secretary for Financial Services and the Treasury: As far as I know, the IPO pipeline is quite full. A lot of applications are in place. As of when the IPOs will come out, this actually depends on the market situation.

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