

**Speech by SFST at MOU Signing Ceremony between HKEx
and Ho Chi Minh Stock Exchange
(English only)**

Monday, December 3, 2007

Following is a speech by the Secretary for Financial Services and the Treasury, Professor K C Chan, at the MOU signing ceremony between the Hong Kong Exchanges and Clearing Limited and Ho Chi Minh Stock Exchange today (December 3):

Dr Tran Dac Sinh, Chairman Arculli (Ronald), Paul (Chow), ladies and gentlemen,

It gives me much pleasure to attend the ceremony today to witness the signing of a Memorandum Of Understanding (MOU) between the Hong Kong Exchanges and Clearing Limited (HKEx) and Ho Chi Minh Stock Exchange (HOSE). I am particularly delighted to see many familiar faces whom I met in Vietnam last month.

The MOU not only represents the outcome of the hard work done by the two exchanges, but also signifies a crucial initiative in enhancing co-operation between the financial services industries of Vietnam and Hong Kong.

The economic developments in Vietnam in recent years are most impressive. Since the introduction of economic reforms in the 1980s, the economy of Vietnam has made impressive strides, with the average GDP growing in real terms by an annual rate of 7.1% from 1997 to 2006. The growth this year is even higher, with the year-on-year growth in real terms in the first three quarters reaching 8.2%.

With a market capitalisation of around US\$3,000 billion at the end of October 2007, Hong Kong's stock market is the seventh largest in the world and the third largest in Asia. As the international financial centre located at the heart of Asia, Hong Kong provides an unparalleled and unrivalled capital formation and global investment platform.

With strong global linkages and with Mainland China as our resourceful hinterland, Hong Kong's status as a fund-raising centre shows the deep and large pool of liquidity in our market. We are committed to positioning Hong Kong as the fund-raising centre for not just China, but also other rising economies like Vietnam.

I would like to congratulate the HKEx and HOSE on the signing of this important MOU today, which opens a new chapter in the mutually beneficial collaborative relationship between the stock markets of two promising economies in the region. I hope that the MOU will help bring Vietnam and Hong Kong closer together and strengthen our partnership in financial cooperation in the years ahead.

Lastly, we eagerly look forward to Hong Kong playing a more proactive role in contributing to Vietnam's economic reform, and seeing Vietnamese enterprises making more and better use of the financial services in Hong Kong.

Thank you.

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