



Dear members

Our Chamber was invited by the Government to attend the Policy Address Consultative meeting, hosted by CE herself and other senior officials, on this past Monday. Our Chairperson Catherine Leung and Deputy Chairperson Eirene Yeung attended on behalf of the Chamber.

During the meeting, Catherine shared her views about the opportunities lying ahead of Hong Kong's stock market, the merits of having a disclosure-based regime and the need to take care of the fund-raising needs of Hong Kong's SMEs, summarised as in the following:

1. **It is now a watershed moment for HK as an international financial centre given Sino-US relations, the recent Didi event and Greater Bay Area opportunities. There will be an unprecedented surge in listings in HK by PRC new economy companies and new GBA companies which will continue to change the contours of our capital markets and economy. We cannot underestimate the opportunity this presents and need to be fully equipped and open to capitalising on this as it could take HK financial markets to an even higher league.**
2. **We need to seriously consider the appropriate balance between a disclosure-based regime vs. the current rule-based approval regime.**
 - Regulators are unlikely to be able to catch up with the latest and greatest technology or platforms or trends for each and every new economy industry which could frustrate listing applicants and bog down the approval process
 - Stock exchanges of developed markets all adopt a disclosure based regime
 - The maturity of our capital markets also means that investors will evaluate the merits of each investment and the risk and rewards
3. **To be Greater Bay Area (“GBA”) ready, HK and its regulators need to review its stance towards SME’s. There has not been enough attention and care paid to the listed companies in the SME sector in our view.**
 - SMEs is a major pillar of our economy
 - Tencent was once a medium-sized company before it became a giant
 - A vibrant capital market needs to embrace companies of all sizes
 - The fast-tracked channel of GEM board listed companies to migrate to the Main board has ceased. As GEM board review will kick off soon, the Chamber wishes to express that companies big and small be given an equal chance to capitalize on the access to the capital markets for their growth and this should underscore the spirit of the Stock Exchange policies going forward.

The Chamber will continue to voice out on issues affecting Hong Kong's market development and competitiveness, and needs and concerns of our members. We would love to hear your views too so that we can convey them on your behalf.

Yours sincerely
Mike Wong
Chief Executive Officer