



證監會



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2. An overview of Hong Kong's current securities market



Hong Kong: Third global financial centre

The Global Financial Index March 2011

Market	Rank	Rating
London	1	775
New York	2	769
Hong Kong	3	759
Singapore	4	722
Shanghai	5	694
Tokyo	5	694
Chicago	7	673
Zurich	8	665
Geneva	9	659
Sydney	10	658
Toronto	10	658

* Ratings are rounded to the nearest whole number for clarity

Source: The Global Financial Centres Index 9 (GFC9)

„ **Hong Kong is the world's third global financial centre according to Global Financial Centres Index**

„ **Hong Kong has performed well in five key areas (people, business environment, market access, infrastructure and general competitiveness), ranking third in each**

„ **Hong Kong was ranked the freest economy in the Index of Economic Freedom by the Heritage Foundation for the 17th straight year in 2011**



f **Stock market cap: US\$2,669 billion as at end of February 2011**

- Third largest in Asia
- Mainland companies accounted for 56% of the total market cap

f **1,421 companies listed on the Stock Exchange of Hong Kong as at the end of February 2011, 596 (42%) of which were Mainland companies**

Hong Kong : Major IPO fund raising centre

f Hong Kong was the largest IPO fund raising centre in 2010

- During the period, the total amount of funds raised through IPO in Hong Kong was **US\$57.3 billion (HK\$445.9 billion) (US\$**



Hong Kong as the major capital formation hub of Mainland enterprises

An overview of Mainland enterprises listed in Hong Kong

	Number of listed companies (end of Feb 2011)	Total market capitalisation (end of Feb 2011, HK\$ billion)	Market turnover (end Feb 2011, 12 months ending, HK\$ billion)
Mainland Enterprises	596	11,579.0	8,368.3
-H shares	163	5,156.0	4,663.4
-red chips	102	4,222.3	1,898.1
-Minying	331	2,200.7	1,806.8

Source: Hong Kong Exchanges and Clearing Limited

f As of end-Feb 2011, a total of 1,421 companies were listed on HKEx

- **163** H-share companies (e.g., ICBC, PetroChina, China Life, etc)
- **102** red chip companies (e.g., China Mobile, China Unicom, etc)
- **331** Minying companies (e.g., Alibaba.com, Li Ning, etc)

f Mainland companies accounted for:

- **42%** of total number of listed companies
- **56%** of total market cap
- **48%** of total market turnover

f As of end-Feb 2011, a total of 66 companies issued both A- and H-shares



3. Mainland China's reform and opening up of the securities market and the continued role of Hong Kong



Test bed for Mainland capital market development

$\frac{3}{4}$ In early days of reform and market opening, Mainland China sought listing of its SOEs in Hong Kong

f To raise capital

f Conscious and deliberate policy to expose and subject Mainland enterprises to Hong Kong standards and fast-track their transformation to world-class companies that meet international standards on governance and performance.

f To enable PRC companies to interact with a truly open economy



4. Internationalisation of RMB



Hong Kong's role in RMB internationalisation

f Hong Kong has been a successful testing ground for the Mainland financial reforms – it is an important fund-raising platform for Mainland enterprises cum a channel for the outflow of Mainland capital

RMB bond issuance in Hong Kong

Year	Issuer	Funds Raised (RMB billion)
2007	<ul style="list-style-type: none"> x Policy banks – China Development Bank, Export-Import bank of China x Commercial banks – Bank of China 	10
2008	<ul style="list-style-type: none"> x Policy Banks – Export-Import Bank of China x Commercial Banks – Bank of Communications, China Construction Bank, Bank of China 	12
2009	<ul style="list-style-type: none"> x Government – China Ministry of Finance x Policy banks – China Development Bank x Commercial banks – HSBC (China), Bank of East Asia (China) 	16
2010	<ul style="list-style-type: none"> x Government – China Ministry of Finance x Policy banks – Export-Import Bank of China, China Development Bank x Supranational bodies – Asian Development Bank x Commercial banks – Bank of China, Bank of Communications, China Construction Bank x Companies outside the Mainland – Hopewell Highway Infrastructure, Sinotruk, China Resources Power Holdings, China Power International Development, China Merchants, Galaxy Entertainment x Multinationals – 	



Challenges facing RMB offshore centre

f RMB offshore centre is primarily set up to support trade settlement and transactions



5. Forging continued cooperation in the years ahead



Working more closely with the Mainland

- f* Remain a major overseas fund-raising centre for Mainland companies
- f* Build and expand on CEPA opportunities, including encouraging more Mainland financial institutions to set up branches in Hong Kong
- f* Strengthen its role for facilitating the “going-out” of Mainland capital as the Mainland integrates with global capital markets
- f* Continued cooperation with regulators and industry in the Mainland’s capacity building in human resources/talent, facilities and regulatory systems
- f* Collaborate with the Mainland as it integrates with global financial markets, e.g. in product and market development, e.g. ETFs and RMB related products
- f* Strengthen the financial linkages by enhancing the market infrastructure of the two markets

Way forward for Hong Kong and the Mainland

f One Country

f Two Systems

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