

Speech by FS at HKEX 25th Anniversary Celebrations (English only)(with photos/video)

â€‹Following is the speech by the Financial Secretary, Mr Paul Chan, at the HKEX 25th Anniversary Celebrations today (June 20):

Deputy Director Yin Zonghua (Deputy Director of the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region (HKSAR)), Deputy Commissioner Li Yongsheng (Deputy Commissioner of the Office of the Commissioner of the Ministry of Foreign Affairs of the People's Republic of China in the HKSAR), Carlson (Chairman of the Hong Kong Exchanges and Clearing Limited (HKEX), Mr Carlson Tong), Bonnie (Chief Executive Officer of the HKEX, Ms Bonnie Chan), Kelvin (Chairman of the Securities and Futures Commission (SFC), Dr Kelvin Wong), ladies and gentlemen,

Good evening. I'm delighted to be here on this special anniversary occasion. Delighted, too, that I get to strike the gong, in just a few minutes, with Carlson.

First and foremost, my warmest congratulations to HKEX on its 25th anniversary. The transformation of HKEX reflects the extraordinary rise of our country and Hong Kong, over the past quarter of a century, underlining our pivotal role in supporting the opening-up of the Mainland's financial markets.

It's a testament, too, to the bold and progressive reforms that have reshaped our listing regime. The HKEX itself is part of that reform, where the demutualisation of its predecessors and the listing of HKEX had opened up vast new horizons for growth and development. Since then, landmark initiatives such as the Connect Schemes, as well as the introduction of Chapter 18A and 18C, continue to unlock value and create fresh opportunities for market participants.

As we celebrate these and many other achievements, it is also important to look ahead. With a solid foundation built over the past 25 years, what's next?

Let us bear in mind that HKEX is far more than just another listed company. It is a cornerstone of our financial system, a trusted partner of the Government and regulators, and a key participant in safeguarding Hong Kong's financial security and enhancing market competitiveness. In this connection, allow me to share a few observations important to the continuing success of HKEX and our financial sector.

First, internationalisation. Hong Kong has long been the premier listing venue for Mainland companies. Today, nearly 60 per cent of our 2 600 listed

companies are from the Mainland. They account for over 80 per cent of total market capitalisation.

Amid growing geopolitical challenges, Hong Kong has become a safe harbour for international investors seeking to diversify their portfolios. With stronger market liquidity and an increasingly global investor base, HKEX can also emerge as a preferred listing platform for companies from ASEAN, the Middle East and other regions – especially those that find it challenging to access capital markets in the US or Europe.

I am pleased to note that HKEX has already taken critical steps in this direction, including recognising more overseas exchanges to enable dual-primary and secondary listings. These efforts can only enhance the diversity, depth and resilience of our market.

Second, embracing innovation. HKEX consistently demonstrates leadership in expanding product offerings. The development of our exchange-traded products' market is a prime example. Since the launch of the Tracker Fund in 1999, our ETP market has grown significantly – covering a wide range of asset classes, including equities, bonds, derivatives and, most recently, digital assets. ETPs now account for over 15 per cent of total stock market turnover.

The opportunities in digital assets are vast. From tokenisation and smart contracts to the trading of real-world assets – it's a new frontier for global finance, and Hong Kong must be at the forefront.

Equally promising is the development of innovative financial products to support the green transition, including carbon trading and other climate-focused instruments.

Third, enhancing market infrastructure and transaction efficiency.

That includes shortening the settlement cycle. While markets in the US and Europe have already adopted or are moving to the T+1 settlement cycle, much of Asia is still assessing the path forward. HKEX, I'm pleased to say, should be technically ready for T+1 settlement by year's end. I look to Hong Kong to become a first mover in the region.

And if Hong Kong is to maintain its status as a world-class financial centre, we must also continue to reduce transaction costs and enhance market efficiency.

Ladies and gentlemen, at this time of profound change and new challenges in global financial markets, Hong Kong must act decisively to capture the emerging opportunities.

With its strong foundation, strategic vision, global connectivity and staunch government support, HKEX is doing just that. And I am confident it will continue to lead and help our markets scale new heights.

Once again, congratulations HKEX on your landmark 25th listing

anniversary. I wish you continuing success in the years to come. Hong Kong, and this speaker, is banking on it.

Thank you.

