

Speech by FS at Link REIT 15th Anniversary (English only)

Following is the speech by the Financial Secretary, Mr Paul Chan, at the Link REIT 15th Anniversary today (November 25):

Tim (the Chairman of the Securities and Futures Commission, Mr Tim Lui), Nicholas (the Chairman of Link REIT, Mr Nicholas Allen), George (the Chief Executive Officer of Link REIT, Mr George Hongchoy), distinguished guests, ladies and gentlemen,

Good evening.

I'm delighted to congratulate Link REIT on its 15th anniversary. Disappointed that I can't be with you tonight, that I'll miss the smart show soon to come: the drones, lights and digital billboard in the sky.

What a way to spotlight the remarkable success Link REIT has enjoyed since its listing, 15 years ago today.

This evening also inspires the fervent expectation that flourishing business, and bright life, will soon return to Hong Kong. To all of us.

Speaking of returns, Link REIT is, nonetheless, Asia's largest REIT. And it enjoys the region's highest market cap.

The total market cap of Hong Kong REITs reached \$215 billion HKD in June, four times that of 2005, which speaks of the sector's drone-soaring growth. Indeed, the Hang Seng REIT Index Total Return Index increased 640 per cent between October 2008 and June 2020. That compares favourably with the 234 per cent increase in the Gross Total Return Index of the Hang Seng Index during the same period.

The HKSAR Government is determined to expand Hong Kong's REIT market, broadening investor choice, adding diversity and liquidity to our financial market. Boosting our REIT market will also enhance Hong Kong's status as an asset- and wealth-management centre.

Measures under consideration include revising the SFC's (Securities and Futures Commission) Code on Real Estate Investment Trusts. The SFC conducted a public consultation on this in June, and will make the results available before year's end.

And the SFC, together with the Investor and Financial Education Council, will promote investor awareness, while the HKEX will include REITs in its marketing campaign.

Developing Hong Kong into a regional green and sustainable finance hub is a policy priority of the Government, and our REITs can profitably support us in this goal.

Hong Kong has come a good, green way in a short time. The Green Bond Grant Scheme of 2018 was followed, last year, by the Government's inaugural green bond issuance. And we plan to issue green bonds totalling \$66 billion HKD over the next five years.

The Greater Bay Area development offers vast green finance opportunities for Hong Kong. And under the Belt and Road Initiative, we will promote Hong Kong as a centre for Chinese companies looking to raise funds for green projects.

Link REIT, I'm pleased to note, is a green financing pioneer. In 2016, it became Hong Kong's first business – and the first property company in Asia – to issue a green bond, raising \$500 million USD. Then, last year, it became the world's first real estate company to issue a green convertible bond.

When it comes to sustainability financing, Link REIT is showing the way. And I am convinced it's the right way – the brighter way – for Hong Kong.

My congratulations to Link REIT management and employees on this milestone 15th anniversary. I wish you all the best of business, and health, in the new year. Thank you.