



Dear Members

I would like to take this opportunity to wish you all a happy and healthy 2021 and an auspicious Year of the Ox. In the Chinese Zodiac, the Ox symbolises diligence and strength. I hope everyone will continue to work diligently in the new year to win the battle against COVID-19 and that Hong Kong will soon renew its strength as an international city and an Asian financial hub.

The Chamber recently had the opportunity to make recommendations to the Financial Secretary as he prepared the Government budget for the coming year. We recommended to him that the Hong Kong SAR Government should take advantage of the current extremely low interest rates – or even the negative interest rates in Euro and Yen – to issue special COVID bonds and use the proceeds to provide financial aid to struggling enterprises and individuals in order to trigger an economic recovery. We reminded him that listed issuers are facing tremendous business pressure and that financial relief to them would be appropriate. Specifically, we recommended that the Financial Secretary take the lead in working with organisations which are less impacted by COVID-19 to provide temporary financial relief to their clients and stakeholders. Our members will benefit from this initiative if this latter recommendation is adopted.

Hong Kong has faced unprecedented challenges in the past two years. While we are beginning to see light at the end of the tunnel as vaccines become available, the economy will take some time to recover. Businesses will continue to operate in a difficult environment. It is therefore imperative that we preserve our economic strength and not deny growth opportunities to those who need them. That is why the Chamber takes issue with the latest HKEX's proposal to raise the Main Board profit requirement from the present \$50 million to a minimum of \$125 million. This proposal will have two negative impacts on our economy. Firstly, smaller businesses will find it much harder to get a listing on the Exchange, which means a major source of funding will be closed to them, thus reducing their growth prospects. Secondly, the reduction of listing activities will affect the corporate finance professionals who focus on smaller businesses. They will be forced to downsize and that will push up unemployment. Furthermore, the exclusion of smaller businesses will make our stock market overly reliant on large caps from the Mainland and New Economy players. This is not healthy as it weakens market diversity and limits the choice for investors. We have made a detailed submission to the HKEX stating our reasons of objection. As we understand it, quite a number of other professional associations are also against this new proposal. We therefore urge the Exchange to give it some serious reconsideration.

各位會員：

我想藉此機會祝願各位2021年大吉，幸福安康。在中國十二生肖中，牛是勤奮和力量的象徵。希望大家新的一年將繼續戰勝疫情，香港亦能盡快恢復其作為國際都市和亞洲金融中心的實力。

本會最近有機會就下一年度的政府預算編製向財政司司長提出建議。我們建議司長，香港特別行政區政府應利用當前極低的利率，甚或歐元和日元的負利率，發行特別的新冠債券，並將所得款項用於為陷入困境的企業和個人提供財政援助，從而刺激經濟復甦。我們亦指出，上市發行人正面臨巨大的營商壓力，因此應適當向他們提供財政減免。具體而言，我們建議財政司司長牽頭與受疫情影響較小的機構合作，為其客戶和持份者提供暫時性的財政減免。若採納後一項建議，我們的會員將能從中受益。

過去兩年，香港面臨著前所未有的挑戰。雖然隨著疫苗的面市，我們終於能看見曙光，但經濟仍需要一些時間才能恢復。企業還將繼續在艱難的環境中經營。因此，我們必須保持我們的經濟實力，不要剝奪企業的增長機會。這也是本會對香港聯交所最新提議表示異議的原因，該提議將主板的盈利要求由目前的5,000萬元提高到至少1.25億元。此項提議將對本港經濟造成兩種負面影響。首先，規模較小的企業將更加難以在聯交所上市，這意味著一條主要的資金來源將會關閉，削弱其增長前景。其次，上市活動的減少將對專注小型企業的企業財務專業提供者造成影響，他們將被迫裁員，繼而推高失業率。此外，排除小型企業將使本港股市過度依賴內地和從事新經濟行業的大型股。這將削弱市場的多樣性並限制了投資者的選擇，對市場造成不健康的影響。我們已就此向香港聯交所提交詳細的意見書，闡明本會反對的理由。據我們了解，有不少其他專業團體也反對這項新提議。故此，我們促請聯交所對此再三考慮。

We believe that our market should move towards a disclosure-based regulatory regime. Companies should be allowed to list as long as they fulfil prescribed conditions and abide by adequate disclosure requirements. The role of our regulators is not to make decisions on what constitutes good or poor investment on behalf of investors but to uphold an effective enforcement and disciplinary regime to deter and punish wrongdoings. With the ChiNext Board of the Shenzhen Stock Exchange also adopting a registration-based IPO system that emphasises transparency and eases the burden for enterprises, disclosure-based regimes are clearly a worldwide trend. Hong Kong must not fall behind.

Yours sincerely

K L Wong
Chairman

我們認為，香港市場應朝著以披露為本的監管制度邁進。只要公司符合規定條件並遵守充份的披露要求，就應獲准上市。監管機構的角色不是代表投資者決定什麼投資是好是壞，而是維護有效的執法和紀律制度，以制止和懲治違法行為。隨著深圳證券交易所創業板也採用了強調透明度及減輕企業負擔的上市註冊制，披露制度顯然是全球大勢所趨。香港絕不能落後。

誠致謝意。

黃桂林
主席

