

## **HK Renminbi Trading pool next month**

by RTHK English News, Hong Kong

Monday, September 05, 2011

Hong Kong Exchanges and Clearing says it will introduce a renminbi trading pool late next month. The mechanism will allow investors to buy renminbi-denominated stocks in the market using Hong Kong dollars. Only one renminbi-denominated stock is currently listed on the market.

The exchange also plans to allow listed firms to raise additional funds in renminbi. It said it would also study whether to allow listed companies to shift their Hong Kong dollar-denominated shares into renminbi-denominated products in future.

## **HKEx Launches New Investor Information Measures**

By Mary Swire, LawAndTax.com, Hong Kong

Thursday, September 08, 2011

Hong Kong Exchanges and Clearing (HKEx) has announced new measures on accessing listed company information and the trading arrangements, in the unlikely event that its systems for the dissemination of such information do not function properly.

The formulation of the new package of measures follows the hacking attack that, on August 10, caused disruption of service to the HKEx news website used to make company announcements. As a consequence, HKEx has adopted a series of measures to ensure investors continued to have timely access to announcements by issuers.

Under Hong Kong's Listing Rules, listed companies intending to hold board meetings to approve their results or declare, recommend or pay any dividend must publish an announcement at least seven clear business days before the board meeting date.

From August 12, HKEx published advertisements in selected local newspapers with a list of companies which planned to release results announcements. However, with the cessation of the threat to its news website, HKEx has now discontinued its daily newspaper advertisements about listed companies expected to announce their results, as the information is re-available elsewhere.

Once again, investors can find these board meeting notification announcements on the HKEx news website, the HKEx corporate website, the HKEx's Bulletin Board and an additional bulletin board that has been available since September 5. The additional bulletin board will be supported by technology infrastructure that is separate from the two different infrastructures that support the Bulletin Board and the HKEx news website.

## **Hong Kong's Regulatory Platform Ready For New RMB Products**

by Mary Swire, LawAndTax.com, Hong Kong

Monday, September 12, 2011

Alexa Lam, the Acting Chief Executive Officer of the Securities and Futures Commission (SFC) has confirmed that Hong Kong's securities regulator stands ready to facilitate the implementation of Mainland policy initiatives aimed at accelerating the pace of transforming the renminbi (RMB) into an internationally accepted and widely used currency.

Speaking at an offshore RMB market conference, she said that the RMB bond market will take off "in an impressive fashion" when the new foreign direct investment measures are in place, permitting RMB raised or borrowed in Hong Kong to flow into the Mainland for direct investment.

Lam confirmed that Hong Kong's regulatory platform is ready to authorize retail fund products managed by holders of Renminbi Qualified Foreign Institutional Investors (RQFII) quotas, with the initial total RMB20bn (USD3.1bn) RQFII quota being "an encouraging start."

She called on all participants to leverage on their skills and experience to capture the business opportunities and contribute towards Hong Kong's development into the world's premier offshore RMB centre.

## **Chinese Companies To 'Go Global' Through Hong Kong**

by Mary Swire, LawAndTax.com, Hong Kong

Tuesday, September 13, 2011

At a press conference and seminar at the 15th China International Fair for Investment and Trade in Xiamen, Fujian Province, Invest Hong Kong encouraged Chinese Mainland enterprises to build up brands and access the world market through Hong Kong.

In his keynote speech, Hong Kong's Financial Secretary John C Tsang said described Hong Kong has always been one of the most important trading partners of Mainland China. In addition, he mentioned that in this, the first year of the country's 12th Five Year Plan, Hong Kong, as an international financial, trade and shipping centre, can help Mainland companies enhance their competitiveness and expand internationally through its marketing expertise, low tax rates and strengths in financial services and corporate governance.

He added that "Hong Kong is also known for its well-developed service industries, offering marketing skills, international connectivity and a rich pool of professional, making it an ideal platform for Mainland companies to 'go global'. The well-regulated and mature financial market of Hong Kong perfectly meets the needs of Mainland companies in capital-raising and familiarising with international standards."

He pointed out that, as at the end of July this year, the number of companies listed on the Hong Kong Stock Exchange was 1,460, of which 616 companies were from China, with a market value accounting for some 56% of all listed companies. Meanwhile, he confirmed that "Hong Kong will also continue to develop its cross-border RMB business and grow as an RMB offshore centre to facilitate trade and outward investment by Mainland companies."

In highlighting the business advantages of Hong Kong, its Associate Director-General of Investment Promotion Victoria Tang added that "Hong Kong has a business-friendly environment supported by an open economic system, world-class infrastructure, free flow of capital and information, and professionals equipped with an international perspective and knowledge about the China market. It is an excellent testing ground for Mainland companies to 'go global' and access the world market."

She indicated that Invest Hong Kong will continue to support the national policy of 'going global' by enhancing the promotion of its services in Chinese cities, and encouraging Chinese companies to devote resources to brand-building in the international arena by leveraging on Hong Kong's advantages.

## **Hong Kong Pushed As Regional Innovation Hub**

by Mary Swire, LawAndTax.com, Hong Kong

Friday, September 16, 2011

At the recent "Think Asia, Think Hong Kong" symposium in London, its Deputy Commissioner for Innovation and Technology, Andrew Lai, emphasized that Hong Kong is not only an international financial centre but also a regional innovation hub.

He pointed out that the Hong Kong government offers comprehensive and strong support to research and development (R&D) companies, including technological infrastructure, funding support and the collaboration framework with Mainland China.

On Hong Kong's technological infrastructure, he said the Hong Kong Science Park provided state-of-the-art facilities for R&D companies and a comprehensive incubation programme for start-ups. The government has also set up five R&D centres to facilitate technology transfer and accelerate the commercialisation of research output.

On Hong Kong's unique advantage in accessing the Mainland China market, Lai added that a strong collaboration framework had been established at all levels. He believed that "by establishing a presence in Hong Kong, UK companies can benefit from the favourable packages offered by Hong Kong and the Mainland to advance their business in the region".

## **HK jobless rate falls**

by RTHK English News, Hong Kong

Tuesday, September 20, 2011

Hong Kong's jobless rate fell to 3.2 percent last month – down from 3.4 percent in July. The Secretary for Labour, Matthew Cheung said that with the return to school of summer workers, the labour pool could be expected to contract in the next few months.

He added that while Hong Kong's economic performance had held up rather well, employers have become more cautious lately about hiring staff because of the deepening Eurozone sovereign debt crisis and the fragile US economy.

## **HK freest economy for 33<sup>rd</sup> year**

by RTHK English News, Hong Kong  
Tuesday, September 20, 2011

A Canadian thinktank has ranked Hong Kong the freest economy in the world for the 33<sup>rd</sup> consecutive year, but warned that the city might lose this leading position in future. Hong Kong received a score of 9.01 out of 10 for economic freedom in an annual report compiled by the Fraser Institute.

But a vice-president of the institute, Fred McMahon, said the introduction of the statutory minimum wage and a competition law might drag down the ranking.

## **Hong Kong Tops Economic Freedom Index**

by Mary Swire, LawAndTax.com, Hong Kong  
Friday, September 23, 2011

Hong Kong has once again topped the Fraser Institute's Economic Freedom Index, which measures the degree to which the policies and institutions of countries are supportive of economic freedom.

According to the report, Hong Kong scored highly across all of the five categories which are used to calculate index scores, including size of government, legal structure and security of property rights, access to sound money, freedom to trade internationally, and regulation of credit, labor, and business.

Hong Kong has topped the Fraser Institute's 141-country ranking every year for the past three decades. This year, Singapore, New Zealand, Switzerland, and Australia were placed after Hong Kong in the top five.

The United States experienced one of the largest drops in economic freedom, according to the report, falling to 10th place overall from sixth in 2010. Much of this decline is attributed to higher spending and borrowing on the part of the US government, and lower scores for legal structure and property rights.

## **IPOs face longer scrutiny**

by Natallie Cai, The Standard, Hong Kong  
Tuesday, September 27, 2011

Companies seeking a listing on mainland bourses from next year must disclose their financial details earlier than currently required, Shanghai-based China Business News reported yesterday.

The China securities Regulatory Commission is making the ruling in a bid to boost listing supervision.

At present, firms seeking an initial public offering have to disclose their financial details five days before their listing hearing. The new rule will compel candidates to make such disclosures at least two weeks in advance.

## **HK Mortgage Loans Plummet As Buying Confidence Shaken**

by Karen Ha, The Standard, Hong Kong

Tuesday, September 27, 2011

The value of new mortgages offered to home buyers was the lowest since May 2009, latest Hong Kong Monetary Authority data show.

In August, mortgage loans drawn down amounted to HK\$14.7 billion, 27 percent lower from the previous month.

The number of new mortgage loans drawn down also fell by 22 percent to 6,327 applications.

In addition, new mortgages approved fell by 10.3 percent from July to a 30-month low of HK\$15.8 billion. Lenders approved 6,780 applications by homebuyers. These, too, represented a drop of 5.5 percent.

Meanwhile, homebuyers have also been shifting from loans benchmarked against the Hong Kong interbank offered rate to mortgages based on the prime rate as quoted by various lenders.

Prime-based property loans accounted for 42.1 percent, up from 25.9 percent in July. HIBOR-based home loans accounted for 55.8 percent, down from 72.9 percent in July, marking a decline for the eighth consecutive month.