



香港聯合交易所
The Stock Exchange of Hong Kong

NEWS RELEASE

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**Exchange will consult the public at the end
of the year on a new market for growth companies**

The Stock Exchange of Hong Kong has decided to move to Phase Two of its feasibility study of a new market for emerging growth companies. The decision was made on the recommendation of the Stock Exchange Working Group on New Market Development and the special Advisory Committee on the feasibility study.

The Exchange's Chief Executive, Mr Alec Tsui Yiu Wa said the meeting considered the findings of Phase One which involved studies of demand, supply and comparative markets and had concluded that there was sufficient interest to move to Phase Two. This will involve the development of market business and regulatory models for public consultation, which is targeted for the end of the year.

"Phase Two will involve the balancing of the needs of different market participants against the need to create a commercially viable model with sufficient liquidity," Mr Tsui said.

"A key success factor identified in the Comparative Markets study is that a conducive environment for these growth companies will be required to ensure a continuous supply of high quality issuers being listed.

"The group also recognised the potential for growth of the new market brought about by economic developments on the Mainland.

"An appropriate regulatory philosophy has yet to be decided. However, clear differentiation between the existing market and the new market is considered to be important," Mr Tsui said.

Overseas experience also indicated that for the new market to be fair and transparent, there was a clear need for recognised appropriate regulatory standards following best market practice and a proven market operator with good distribution channels.

The Working Group on New Market Development comprises market participants and executives of the Securities and Futures Commission and the Exchange whilst the Advisory Committee are represented by industry leaders.

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Corporate Communications Department

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