



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

NEWS RELEASE

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**The Exchange held a conference on capital formation in Taiwan
for growth enterprises**

Over 500 delegates from Taiwanese companies and financial sector attended a conference on growth enterprises held at the Taipei International Convention Centre today (Friday). The conference, *Capital Formation for Growth Enterprises*, was organised by the Stock Exchange of Hong Kong in collaboration with Taiwan Business Association (HK) Ltd and Taiwan Business Weekly Magazine.

The conference introduced the mechanism of the Hong Kong's Growth Enterprise Market (GEM) to Taiwan businesses, particularly technology and innovation based companies. GEM offers these enterprises an additional channel for capital formation.

Exchange Chairman, Mr Lee Hon Chiu, Chairman of the GEM Listing Committee, Dr K. S. Lo and Exchange Chief Executive, Mr Alec Tsui spoke at the function. Dr Lo spoke on GEM's development and prospects and Mr Tsui on the outlook for Hong Kong's securities market.

Mr Lee said many investors were confident about the prospects of information technology industries which have registered substantial growth in recent years. "However, traditional capital markets are conservative when it comes to meeting the demands of innovation-based businesses, which is why it is so hard for emerging enterprises to raise funds. In these circumstances, the markets' self-improving ability will be undermined and eventually, there may be interference with the free economy."

"Fortunately, the capital market responds to the market needs swiftly. Understanding the needs of the growth enterprises, the Exchange launched GEM in November. As a profit record is not required for listing on GEM, the market is a convenient avenue for financing innovation companies," Mr Lee said.

Taiwan's Minister of Finance, Mr Paul Chiu, Chairman of Taiwan Stock Exchange Corporation, Mr C. Y. Lee and Chairman of Chinese National Association of Industry and Commerce, Mr Jeffrey Koo also addressed the participants who came from the financial, academic, industrial and commercial sectors of Hong Kong and Taiwan.

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Corporate Communications Department

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