

2528 9493
2861 1494
LM in G9/8/6 (03) Pt. 3

1 August 2006

BY FAX (Total :13 pages)

Ms Rosalind MA
Clerk to Panel on Financial Affairs
Legislative Council
Legislative Council Building
8 Jackson Road
Central, Hong Kong

Dear Rosalind,

Panel on Financial Affairs

Follow-up to meeting on 3 July 2006

Thank you for your letter of 7 July 2006. I attach for your follow-up action response from the Administration and the Hong Kong Exchanges and Clearing Limited to items 2 and 3 respectively.

Yours sincerely,

(Mrs Dorothy Ma)
for Secretary for Financial Services and the Treasury

c.c. AA/SFST	Fax: 2537 1736
HKEx (Attn: Mr Lawrence Fok)	Fax: 2521 7060
HKEx (Attn: Mr Geoffrey Tang)	Fax: 2530 2858

**Follow-up Actions to LegCo Panel on Financial Affairs
Meeting on 3 July 2006**

**Follow-up Actions arising from the item
“Measures to avoid Hong Kong’s financial market
from being marginalized”**

Follow-up Actions

Item 2

In response to a member’s concern about the availability of the needed talents to cope with market challenges and competition, the Administration undertakes to provide written information on its strategy and efforts in training and nurturing talents in the financial services sector, including the work of the Advisory Committee on Human Resources Development in the Financial Services Sector and the series of events organized by the Committee in this respect.

Response

The availability of highly competitive and professional human capital reinforces Hong Kong's position as an international financial centre. The Advisory Committee on Human Resources Development in the Financial Services Sector (“the FinMan Committee”) was established in June 2000 by the Government to foster better co-ordination of the efforts between the industry and academia on financial services manpower development. It comprises representatives from the Government, the industry, regulators, professional bodies and training providers.

The Working Groups

The FinMan Committee has set up four working groups to explore initiatives in various areas with a view to enhancing the quality of workforce of the financial services sector in Hong Kong. A brief description of these working groups’ objectives and work is as follows:

(a) Working Group on Industry/Academia Partnership

The key objective of this working group is to strengthen the partnership between financial services industry and academic institutions. The working group focuses on initiatives such as expanding internship programme for university students, both in

terms of quantity and quality; arranging regular dialogues between university administration, faculties and industry practitioners; and organising other events to promote the collaboration between the industry and academia.

(b) Working Group on Manpower Statistics

The objective of this working group is to enable a more accurate assessment of the current situation of human resources in the financial services sector, with a view to identifying possible shortfalls in supply against current and future demand. The working group seeks to gather, review and rationalise relevant statistics in a way that is useful to the manpower planning of the sector.

(c) Working Group on Professional Development

The objective of this working group is to examine the resources currently devoted to the training and development needs of different levels of financial services practitioners with a view to enhancing their core competencies. The working group seeks to take stock of the existing training courses available for practitioners at different levels in various areas within the financial services industry with a view to identifying if there is any shortfall.

(d) Working Group on Conceptual Framework on Qualifications/Competencies

The objective of this working group is to develop a conceptual framework for assessing and benchmarking the human resources development needs of the financial services sector. It has been working with Education and Manpower Bureau on the implementation of the Qualification Framework in the financial services sector which would foster an environment for the practitioners in the sector to continuously upgrade themselves.

Recent events

In 2006, the FinMan Committee has launched a number of events and measures and they are summarised below:

(a) Industry/Academia Collaboration on nurturing Financial Talents Series

The FinMan Committee has launched a series of events under the title of Industry/Academia Collaboration on nurturing Financial Talent Series (“the Series”) in 2006 to foster mutual understanding and encourage co-operation between the industry and the academia on issues related to human resources development for the financial services sector.

The inaugural event of the Series was a roundtable discussion, carrying the theme “collaboration between the financial services sector and the academia”, jointly organised by the FinMan Committee and the Hong Kong University of Science and Technology in February 2006. Its aim was to foster mutual understanding and encourage cooperation between the industry and academia on issues related to human resources development for the financial sector. There was a candid and active exchange of thoughts from participants in the Government, financial services industry and academics.

In June 2006, the second event in the Series was jointly organized by the FinMan Committee and the University of Hong Kong, a forum under the banner of “Enhancing Quality with Strengthened Training”, to explore effective ways and measures to nurture financial talent with an emphasis on the importance of internship programmes. Some 200 participants of the forum included students and faculty staff from all tertiary institutions, representatives from professional bodies and associations of the financial markets and the FinMan members.

The FinMan Committee will continue to collaborate with local universities to organize other events to promote industry/academia partnership under the Series with a view to enhancing the human resources of the financial services sector.

(b) Promotion of internship

The FinMan Committee has written to all the professional bodies and organisations in the financial services sector to appeal for their provision of more internship opportunities for the local students earlier this year. A booklet on guidelines to employers on organising internship programmes was also published by the FinMan Committee in May this year and distributed to all the relevant professional bodies and organisations.

Item 3

In response to a member’s concern about efforts in promoting Hong Kong’s financial services in the Mainland, the Administration undertakes to provide information on the relevant promotional activities organized by the Hong Kong Exchanges and Clearing Limited.

Response

A note prepared by the Hong Kong Exchanges and Clearing Limited (HKEx) on “HKEx Listing Promotion Activities in the Mainland” is attached at **Annex**.

Financial Services and the Treasury Bureau
July 2006

HKEx Listing Promotion Activities in the Mainland

Marketing Activities Organised by HKEx

- To strengthen Hong Kong's position as an international financial centre, HKEx continues in its efforts to attract companies that can fulfil our listing requirements to list on our securities market. Over the years, HKEx has organised conferences, participated in seminars and conducted one-on-one meetings to attract prospective issuers from the Mainland as well as other markets.
- Since 2001, 25 large-scale conferences to promote Hong Kong listings have been co-organised in 17 cities on the Mainland, of which 11 were conducted between 2004 and June 2006. These events were jointly hosted with different provincial governments or government agencies on the Mainland, some of them were conducted in conjunction with the HKSAR Government office in Beijing, targeting companies from large state-owned enterprises to small and mid-sized privately-owned companies, most of which had expressed interests to list in Hong Kong.

Major Events Co-organised/Participated by HKEx to Promote Listing to Mainland Issuers

	Event Date	Event	Location	Number of Participants
1	2006	Hong Kong Listing Conference in Nanchang	Nanchang	220
2		Pan-Pearl River Delta Region Financial Services Forum	Hong Kong	600
3	2005	Guangdong Enterprise Hong Kong Listing Seminar	Guangzhou	200
4		Hubei-Hong Kong Week – HKEx (Hubei) Conference	Wuhan	180
5		Forum on the Development of Pan PRD Capital Markets	Chengdu	330
6		Hebei-Hong Kong Week – HKEx (Hebei) Conference	Shijiazhuang	200
7		Fujian Hong Kong Listing Seminar	Fuzhou	260
8	2004	Jilin-Hong Kong Week – HKEx (Jilin) Conference	Changchun	350
9		SASAC/HKEx Hong Kong Listing Forum	Shanghai	330
10		Tianjin-Hong Kong Week – HKEx (Tianjin) Conference	Tianjin	380
11		Chongqing-Hong Kong Week – HKEx (Chongqing) Conference	Chongqing	370
12	2003	Conference Marking the 10th Anniversary of the Listing of Mainland Enterprises in Hong Kong	Beijing	420
13		Fujian-Hong Kong Week – HKEx (Fujian) Conference	Fuzhou	330
14		Zhejiang-Hong Kong Week – HKEx (Zhejiang) Conference	Hangzhou	350
15		HKEx (Heilongjiang) Conference	Harbin	350
16		HKEx (Guangdong) Conference	Guangzhou	500
17	2002	Jiangsu-Hong Kong Week – HKEx (Jiangsu) Conference	Nanjing	420
18		Shandong-Hong Kong Week – HKEx (Shandong) Conference	Jinan	600
19		HKEx (Shanghai) Conference	Shanghai	700
20		HKEx (Shenzhen) Conference	Shenzhen	400
21	2001	Conference on Mainland Enterprises Listed in Hong Kong	Beijing	300
22		Shanghai GEM Conference	Shanghai	670
23		Chongqing GEM Conference	Chongqing	400
24		Beijing Zhongguancun GEM Conference	Beijing	600
25		Chengdu Conference	Chengdu	400

- In 2004, HKEx co-organised a conference in Shanghai with the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), a Government commission that supervises and administers nationwide state-owned enterprises, to attract state-owned enterprises to consider Hong Kong as their listing venue should they decide to seek a listing outside of the Mainland. Large-scale state-owned enterprises such as China Netcom, Air China, China Construction Bank, Bank of Communication, China COSCO and China Shenhua Energy have since floated on the Hong Kong securities market.
- Besides conducting conferences, HKEx executives had delivered over 310 presentations in Hong Kong and in more than 34 cities on the Mainland to promote Hong Kong listings in the last two years. Around 180 of them were conducted at roadshows and symposiums arranged by organisations like the Hong Kong Trade Development Council, InvestHK and the Federation of Hong Kong Industries and events hosted by Mainland authorities such as the National Development and Reform Commission, Provincial and Municipal offices of Financial Services, Listing Affair Offices, and Development and Reform Commission.
- As part of HKEx's continuing commitment to maintaining high standards of corporate governance and ensuring a quality market, training for the senior management of potential and listed Mainland issuers with regard to corporate governance is conducted regularly every year.
- In 2004 and 2005, around 440 executives of listed and prospective Mainland issuers attended the 15 training programmes that HKEx organised jointly with the Hong Kong Institute of Chartered Secretaries, Hong Kong Securities Institute, the China Business Centre of the Hong Kong Polytechnic University, and Mainland government authorities, including the Research Centre of the Hong Kong and Macao Affairs Office of the State Council, and the National Science and Technology Venture Capital Development Centre.
- In 2006, HKEx co-organised a training program with the Hong Kong Polytechnic University and the Hong Kong and Macao Affairs Office of the State Council. Around 26 accounting and finance senior management executives of H-share companies had attended the event.
- In view of the need to provide Mainland enterprises through structured trainings on regulatory issues, HKEx started since May 2006 a series of regular training seminars in the Mainland for delegates of listed issuers. The first seminar on the overview of the Hong Kong regulatory regime and on selected corporate governance topics was held on 25th May in Beijing and was attended by over 130 representatives from Hong Kong-listed Mainland enterprises and government bodies.

Beijing Representative Office

- HKEx opened its Beijing Representative Office in November 2003 under the Closer Economic Partnership Arrangement (CEPA) and since then it has become an effective platform to promote the Hong Kong securities market as a trading and listing venue. Subsequently, additional special representatives from the office were based in Shanghai and Guangzhou to further enhance cooperation and liaisons with Mainland government agencies and potential issuers.

Strengthening Relationship with the Mainland Government Authorities and Associations

- Through HKEx's representatives in Beijing, Shanghai and Guangzhou, HKEx has established working relationships with the China Securities Regulatory Commission (CSRC), the Shanghai and Shenzhen Stock Exchanges, the People's Bank of China, etc and different provincial and municipal governments. In the way forward, more liaisons will be conducted with these Mainland entities to share experience and information so as to echo our strategy in becoming a

Mainland partner.

Business Development Division, Hong Kong Exchanges and Clearing Limited
July 2006