

A Tale of Two Markets — and the Storytellers who Bridge Them

Keynote speech at Hong Kong Investor Relations Association's 12th Investor Relations Awards Ceremony

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Distinguished guests, ladies and gentlemen, good afternoon.

It is my great pleasure and honour to join you today at the Hong Kong Investor Relations Association's (HKIRA) 12th Investor Relations Awards Presentation Ceremony. Today is a day of celebration. We are here to recognise the outstanding achievements of investor relations (IR) professionals and companies who have set a high bar for transparency, engagement and excellence in our market.

Let me begin by congratulating HKIRA on reaching the 12th edition of these awards, and on the important role it has played over the years in promoting best practices and professional development in IR. By fostering effective communication between listed companies and the investment community, HKIRA contributes directly to the strength and depth of Hong Kong's capital markets. The awards we celebrate today are a testament to that contribution.

A City of Financial Tales — But Which Market?

Last year, I spoke about Hong Kong as a "city of financial tales" — a city whose financial story has been written through decades of resilience, innovation and openness. Today, I would like to revisit that idea with a new emphasis. In this city of financial tales, you — the IR professionals — are among the most important storytellers. You translate complex financial reports, corporate actions and ESG disclosures into clear, credible narratives that investors can trust and act upon.

But to truly understand the importance of your work — and the challenges you face — we need to look more carefully at the market in which you operate. Because Hong Kong is not one market; it is two.

Today, Hong Kong has over 2,700¹ listed companies, with a total market capitalisation exceeding \$47 trillion and average daily turnover of around \$293 billion. By any measure, these are world-class numbers. But look more closely, and a striking contrast emerges. In October 2024, just 254² companies accounted for 90% of total market capitalisation. On the

¹ As at end-May 2026.

² Market capitalisation on all classes of shares as of 31 October 2024 (Source: S&P Capital Q).

Note: This is the text of the speech as drafted, which may differ from the delivered version.

other end, approximately 270 companies had an average daily turnover of less than \$10,000 — roughly the price of a smartphone. And if we look at the ownership structure of small-cap companies with market capitalisation below \$4 billion, 40%³ had a single largest shareholder holding more than half of the shares. Concentrated ownership and razor-thin liquidity leave almost no universe of genuinely independent, information-seeking investors in these companies.

So we have, in effect, two very different IR environments coexisting within the same market. I will call them the *liquid market* and the *thin market* — and the challenges for IR professionals in each are fundamentally different.

In the liquid market, the challenge is one of quality and credibility. Institutional investors, research analysts and short sellers demand timely, accurate and substantive information. ESG disclosures are scrutinised for greenwashing. Artificial intelligence and social media transmit information — accurate and inaccurate alike — at extraordinary speed. The bar is relentlessly high.

In the thin market, the challenge is more fundamental. When daily turnover falls below \$10,000, there is effectively no audience or market. The priority is not to communicate better but to create the preconditions for a market to exist: widening the investor base, articulating a genuinely compelling value proposition, and building trust one conversation at a time.

Listen First

In both markets, the single most important discipline is listening. The Latin root of the word "audit" means "to listen". That principle applies not only to auditors and regulators, but above all to IR. Listen to the needs of investors, not the other way round. When you listen well, you respond with clarity, address misconceptions early, and build relationships that endure beyond short-term market volatility.

In a thin market especially, the currency of IR is not press releases or annual reports — it is trust built one conversation at a time. The intimacy and directness that smaller companies can offer is itself a competitive advantage that no large company can easily replicate.

A Call to Boards

I also want to say a direct word to the Chairmen, Chief Executive Officers (CEOs) and independent non-executive directors (INEDs) in this room. Everything I have just described cannot be achieved by IR professionals alone. It requires board commitment.

The new Listing Rules effective from 1 July 2025 already require listed companies to disclose in their Corporate Governance Reports the nature and frequency of board-level engagements with shareholders. However, this disclosure is the bare minimum only. I would encourage all issuers to go further still. Chairmen, CEOs and INEDs should meet with investors at least once a year. Direct investor dialogue provides unfiltered market feedback — the kind that rarely survives intact as it travels up through management layers. And I would encourage every board to give the IR Officer a formal voice: at least once a year, the full board should receive and discuss a report on the company's IR performance. IR is a

³ As of 31 March 2026.



strategic function at the heart of the company's relationship with the capital markets, and it deserves a seat at the board table.

Hong Kong's Story — and Yours

In an increasingly multipolar world, Hong Kong's enduring strength lies in its role as super-connector between the Chinese Mainland and global capital markets, underpinned by "One Country, Two Systems", the rule of law, and resilient markets. Yet, shifting narratives abroad sometimes obscure this reality. As IR leaders of Hong Kong's listed companies, you carry a vital mission: to bridge narrative divides and reveal Hong Kong's true strengths — a vibrant, innovative hub where capital meets opportunity with quality and trust.

Human beings are natural story lovers. Tell them the facts and they will learn; tell them the truth and they will believe; but when you tell them your equity story, it will forever live in their hearts.

The story of Hong Kong's financial market is not only written by the large, liquid, globally recognised companies at the top of the league tables. It is also written by the hundreds of smaller companies working hard to build their investor following, to widen their shareholder base, and to earn the trust of a market that has not yet fully discovered them. In both cases, the IR professional is the author — the one who shapes the narrative, guards the credibility, and keeps the story going.

My practical advice to every IR professional in this room: listen carefully, communicate honestly, and embrace change with professionalism. In doing so, you are not just telling your company's story. You are helping to write Hong Kong's financial story for the next generation.

Finally, my deepest gratitude to HKIRA and my warmest congratulations to all of today's awardees.

Thank you.