

Chart 1. Businesses Become Notably More Confident on Economic Growth

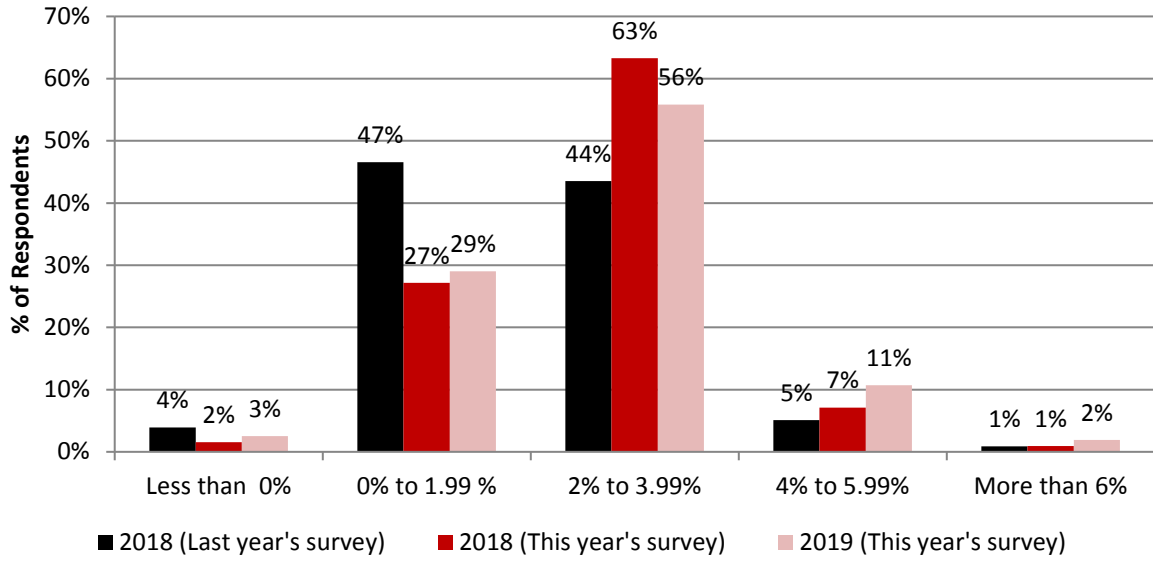


Chart 2. Over 60% of the Respondents Expect to Hire More Staff for Their Hong Kong Operation in the Coming 12 Months

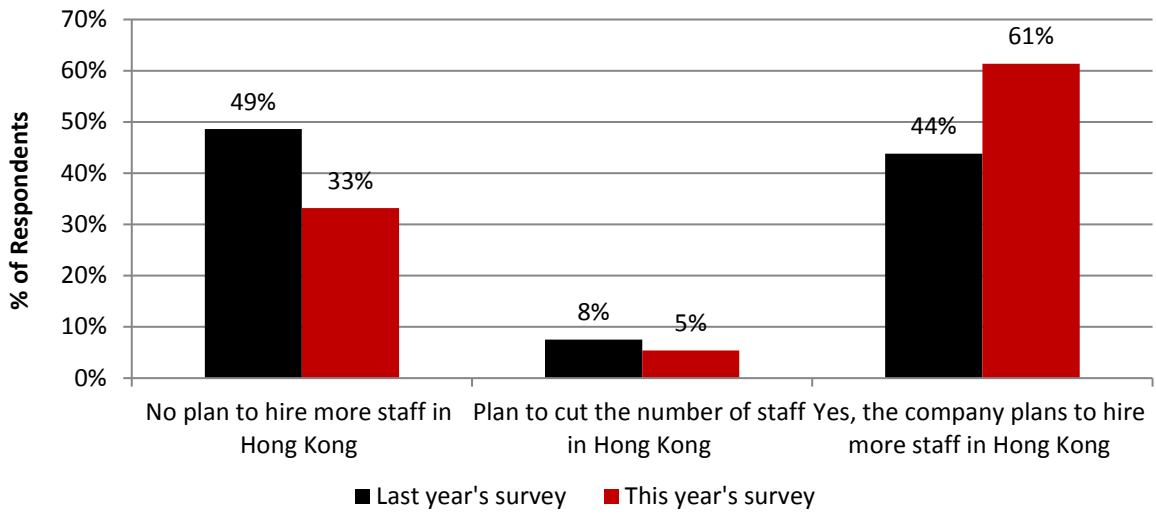
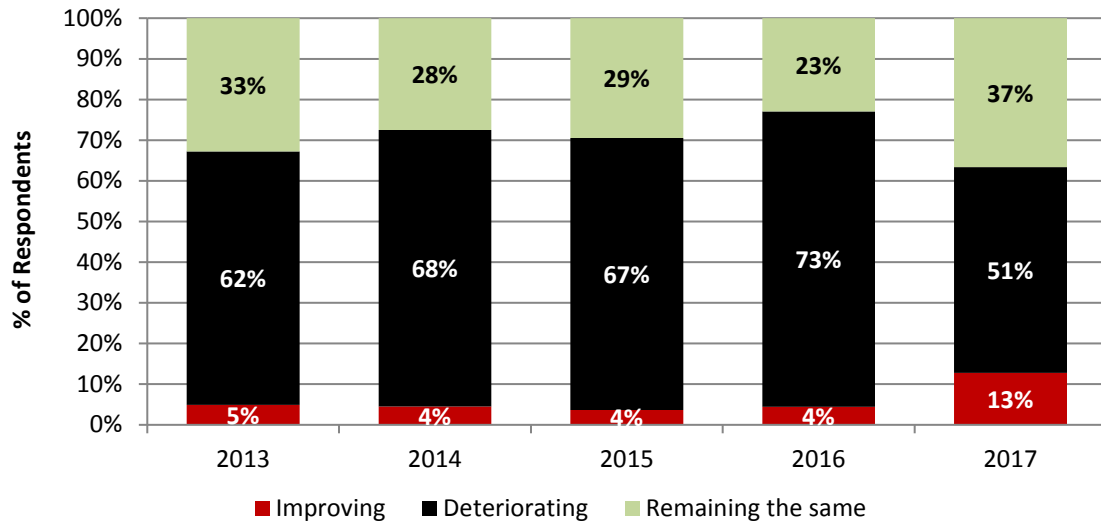
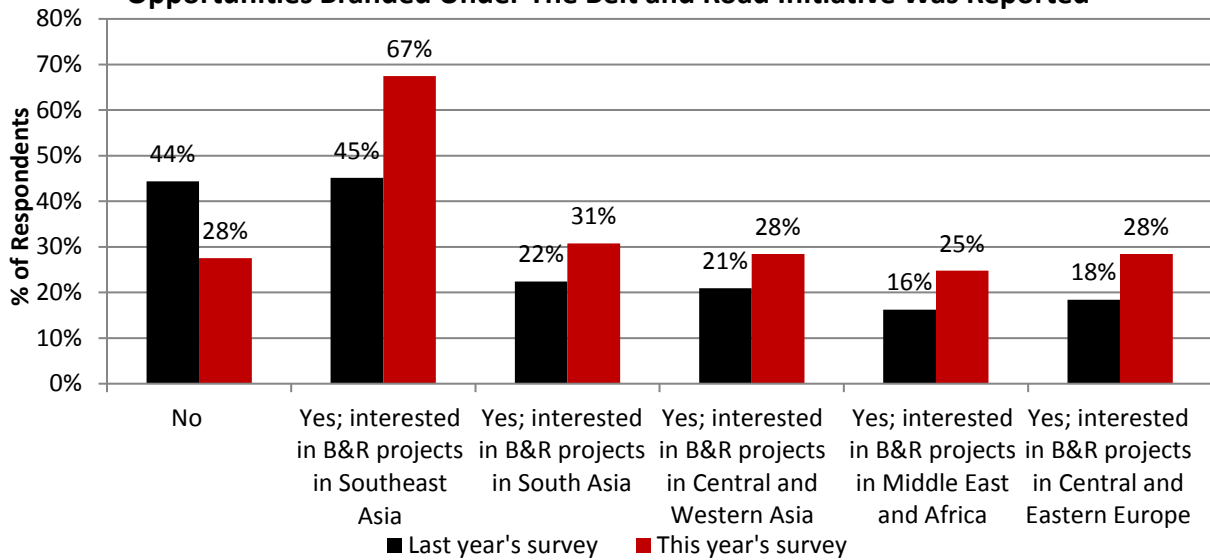


Chart 3. Some Progress has been Made on Sustaining Hong Kong's Competitiveness; Still a Lot of Catching-up to be Done



A Generally Higher Level of Interest in Exploring Investment Opportunities Branded Under The Belt and Road Initiative Was Reported



Hong Kong's Tax Regime and Legal System Were The Most Satisfactory Aspects of Our Business Environment

| | Unsatisfactory (1-3) | | Average (4-7) | | Satisfactory (8-10) | |
|--|-------------------------|------|------------------|------|------------------------|------|
| | % of Respondents | | | | | |
| | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 |
| Legal system | 3% | 2% | 22% | 24% | 75% | 74% |
| Tax regime | 4% | 3% | 24% | 24% | 72% | 74% |
| Flow of information | 3% | 2% | 23% | 30% | 74% | 68% |
| Physical infrastructure | 4% | 3% | 32% | 30% | 64% | 67% |
| Regulatory environment | 5% | 5% | 45% | 40% | 50% | 55% |
| Manpower productivity | 7% | 5% | 57% | 54% | 36% | 40% |
| Efficiency of civil service | 10% | 12% | 48% | 49% | 42% | 39% |
| Political stability | 18% | 11% | 56% | 55% | 26% | 35% |
| Manpower sufficiency | 11% | 11% | 60% | 62% | 30% | 27% |
| Environmental and sustainable development | 17% | 16% | 62% | 62% | 21% | 22% |
| Cost of doing business | 27% | 29% | 57% | 55% | 16% | 16% |
| Technology and innovation | 19% | 20% | 60% | 66% | 21% | 14% |