



Maintaining the leading position in the IPO market

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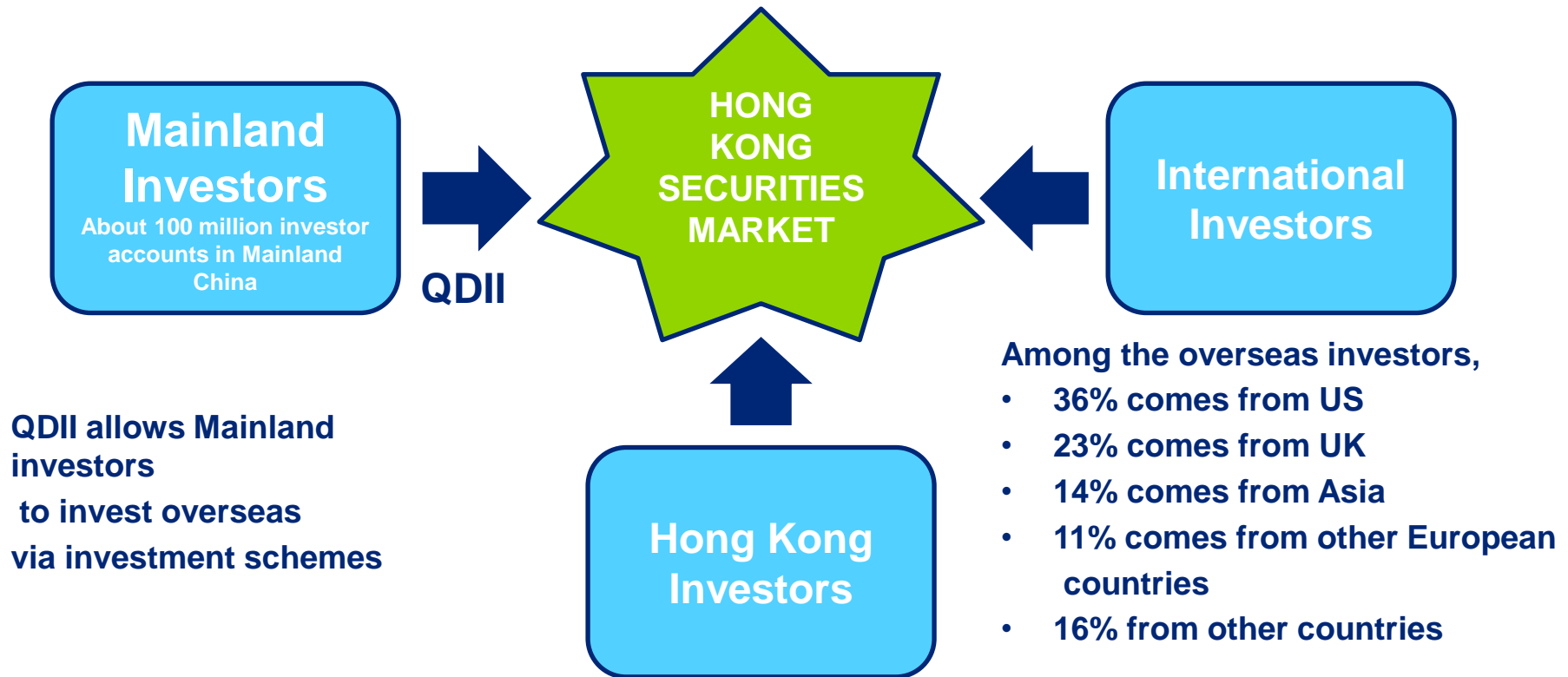
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- **How to Maintain the Leading Position?**



Why Hong Kong?

A quality market attracts a diverse and expanding investor base

Global investor base
42% from investors all over the world
62% from institutional investors



Plus a growing pool of high net Asian worth investors

Why Hong Kong?

Competitive Advantages & Key Drivers for a HK Listing

International listings – Key Drivers

China / Asia Nexus

Alignment of Issuers' Growth Drivers and Shareholders

Key Sectors – Financial Services, Natural Resources and Branded Consumer

Spin-offs of Chinese / Asian Subsidiaries

Growing Regional Investor Base

Transparent and Efficient Listing Regime

Increase Market Liquidity by Dual Listing

Examples



USD20.4bn
US



USD2.2bn
Russia



USD783m
France



USD180m
Japan



USD241m
Russia



USD393m
Mongolia

Companies in the pipeline



Swiss



Italy



USA

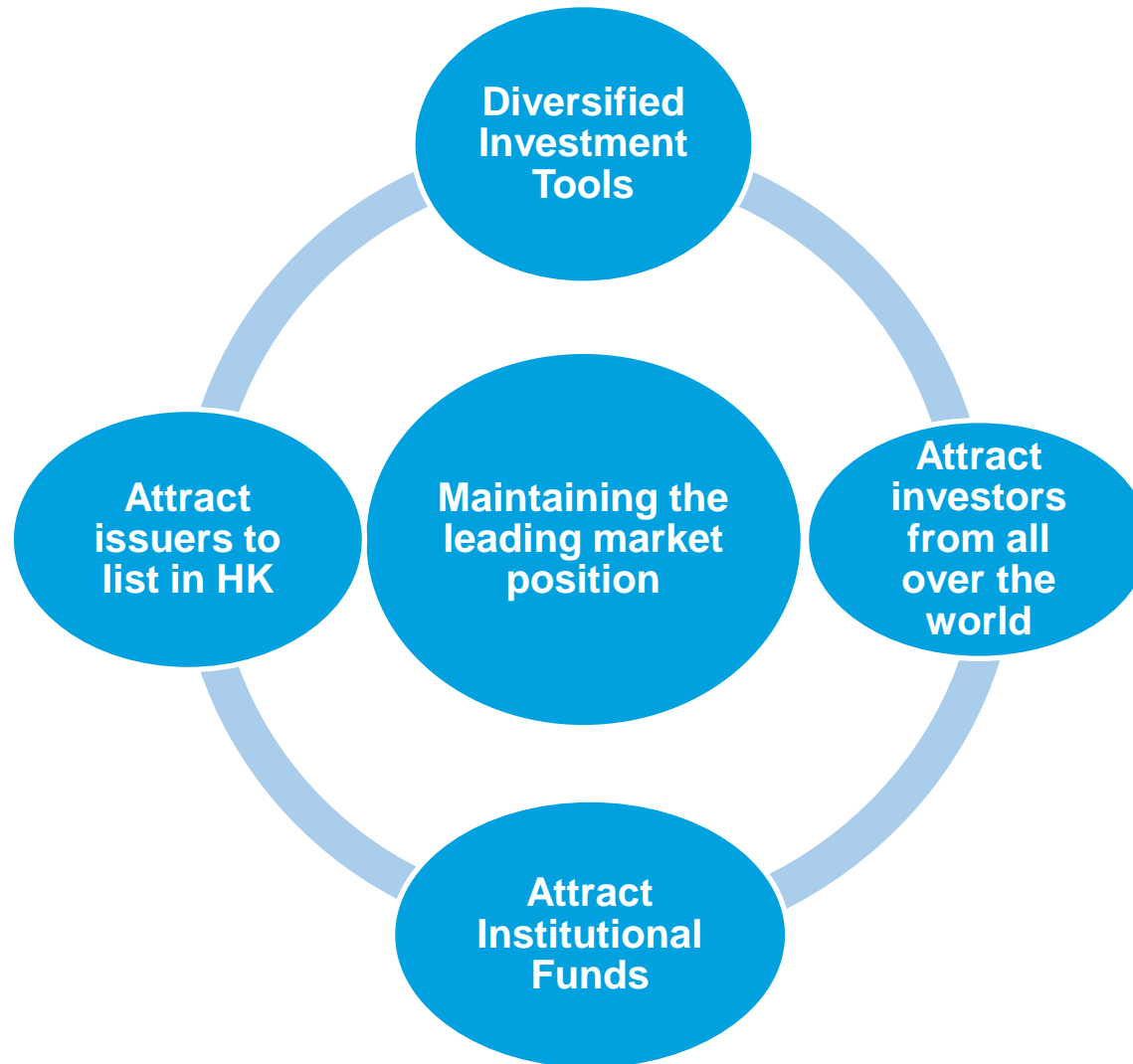
How to Maintain the Leading Position?

(1) Diversify Investment Tool to Stay Ahead of the Game

- Introduce Hong Kong Depository Receipt (HDR) in 2008
 - Brazil Vale listed by introduction in 2009
 - Japan SBI Holdings raised funds by issuing HDRs in 2011
- The Hong Kong Stock Exchange has been expanding the list of acceptable jurisdictions. So far this year, HKEx has added;
 - Italy - Guernsey
 - France - Alberta, Canada
- Renminbi-denominated equity – raise offshore Renminbi funds in Hong Kong
 - Hui Xian Reit listed in May 2011
 - Clarify the regulations on the repatriation of offshore RMB funds to China
 - Develop RMB bond and bond listing in Hong Kong

How to Maintain the Leading Position?

(2) Abundant Market Liquidity



How to Maintain the Leading Position?

(3) Evolving Regulations

- Exploring the possibilities in further simplifying the rules and regulations on secondary listings since those companies are already listed on other exchanges.
- The listing committee is very willing to listen to market participants.

Recognition of JGAAP

- In March 2011, HKEx accepted JGAAP to be adopted in the accountant's report for a Japanese-listed issuer seeking for a secondary listing on the HKEx
- Special waivers are given to issuers conditionally



How to Maintain the Leading Position?

(4) Clear-cut Accounting Rules

- IFRS Orientated – attracts companies using IFRS to list in Hong Kong e.g. Italian fashion house, Swiss Commodity Giant and Russia-base aluminum producer, etc.
- HKEx gives clear and practical guideline for companies not using IFRS that seek a listing in Hong Kong to follow.
 - The listing decisions provides clear guidelines
 - Clear guidelines enable market participants to assist potential issuers efficiently
 - Special waivers are granted to non-IFRS issuers applying for secondary listing



Deloitte.