

Advantages of Listing in Hong Kong

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Obtaining a listing on a stock exchange is an important stage in a company's development. It enables a company to raise capital and upgrade its status. However, once a company has decided to pursue a listing, it must consider a suitable market on which to list its shares. In this part, some of Hong Kong's advantages are set out below:

- 1. Gateway to Mainland China.** As an internationally recognized financial centre with an abundance of professional expertise, Hong Kong has provided many Asian and multinational companies with fund-raising opportunities. Together with China's accession into the WTO and Beijing's hosting of the Olympics in 2008, companies will be able to leverage on the multitude of opportunities offered by this escalating economy.
- 2. An attractive Market.** As a part of China, Hong Kong's market is always the first choice for Mainland Chinese companies seeking a listing on an international overseas market, and it's a good choice for mainland companies raise capital, as evidenced by the fact that 443 enterprises had been listed on the Exchange by April 2008, with the promise of many more to come. Hong Kong has liberal international market, which provides issuers with access to local and overseas funds. It offers an attractive market for both issuers and investors alike.
- 3. Strong Legal System.** Hong Kong has a well-established legal system based on English common law, which provides a strong and attractive foundation for companies to raise funds as well as confidence to investors.
- 4. Free Flow of Capital and Information.** The Hong Kong dollar is fully convertible and accordingly there are no foreign exchange controls, no restrictions on capital flows into and out of Hong Kong.
- 5. Advanced Clearing and Settlement Infrastructure.** Hong Kong is renowned for its relatively sophisticated economy, well-regulated trading and settlement system. Hong Kong allows local financial institutions to settle US dollar transactions real time in the Asian time zone. This reduces the foreign exchange settlement risk caused by the time gap between the settlement of Hong Kong dollars and US dollars.

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