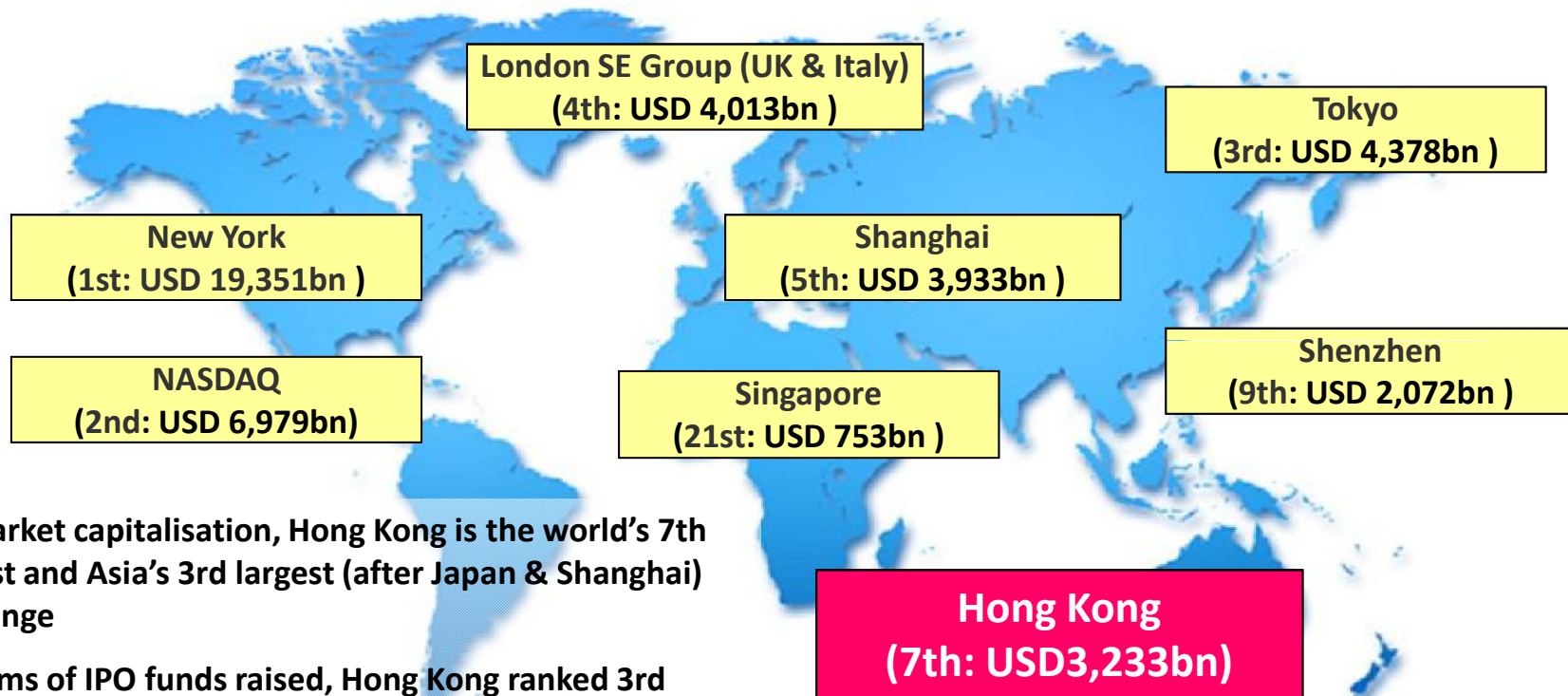


▶ Listing Overseas Companies on the Stock Exchange of Hong Kong Limited



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Hong Kong – a leading international market



By market capitalisation, Hong Kong is the world's 7th largest and Asia's 3rd largest (after Japan & Shanghai) exchange

In terms of IPO funds raised, Hong Kong ranked 3rd worldwide in 2014 (after NYSE and LSE Group) and in world's top 5 for 13 consecutive years

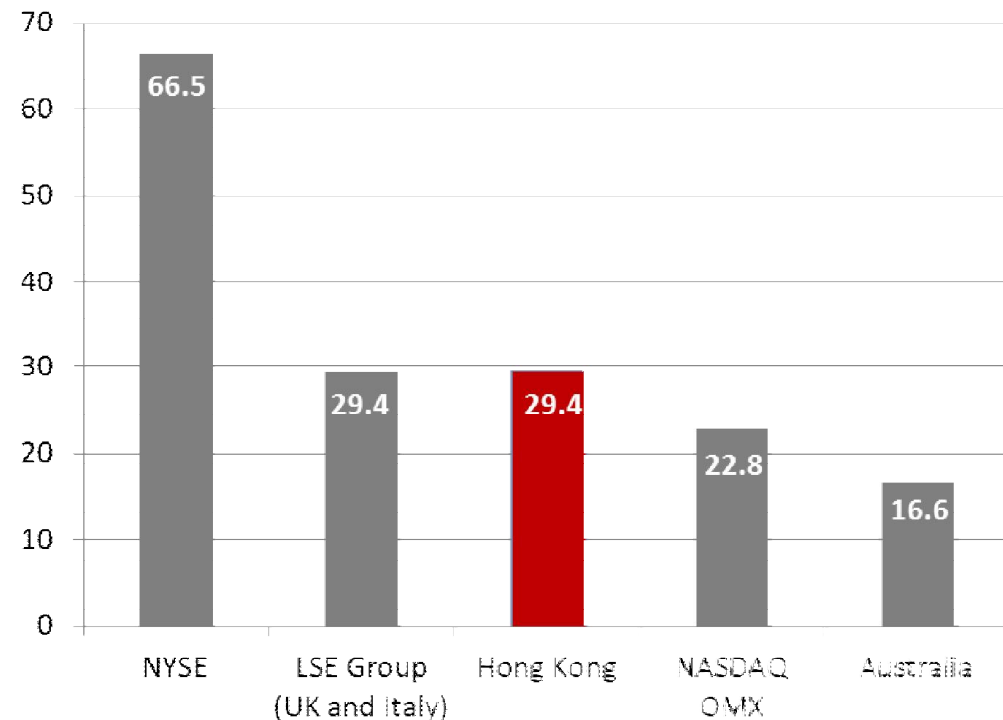
Source: Data from World Federation of Exchanges (as at end of 31 December 2014). Figures for the London Stock Exchange Group include those of Borsa Italiana.

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Why List in Hong Kong?

- ▶ No. 1 International Financial Centre in Asia
- ▶ Access to Mainland Chinese investors currently through Qualified Domestic Institutional Investor programme
- ▶ Shanghai-Hong Kong Stock Connect launched in November 2014 allows Mainland Chinese investors to invest directly in HK listed stocks for the 1st time. Programme helps broaden investor base and add liquidity to HK market adding momentum to the market

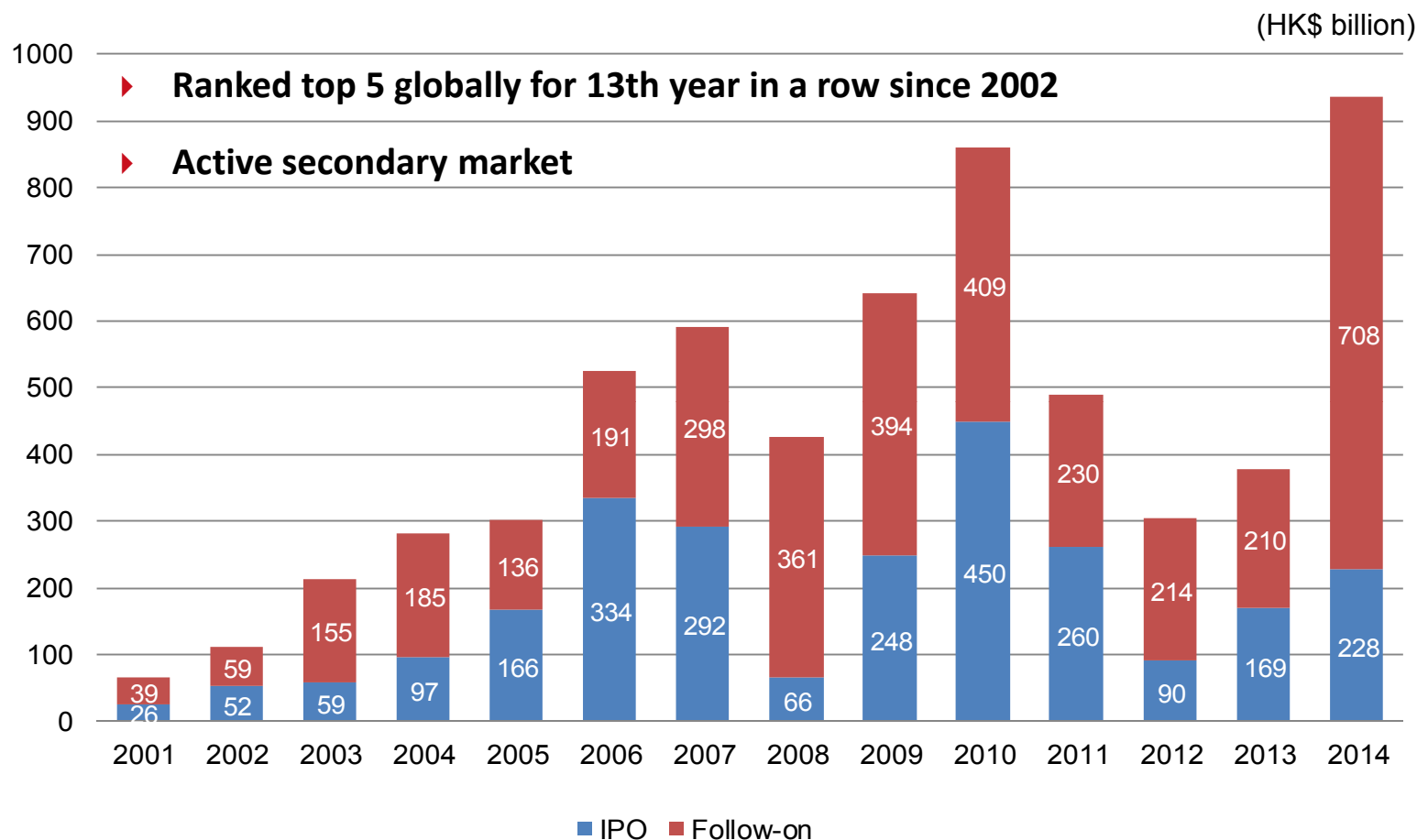
IPO Fund Raised 2014 (US\$bn)



Source: World Federation of Exchange (WFE) website

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World Top Five in IPO Funds Raised



Source: Hong Kong Exchanges and Clearing Limited

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Ten Largest IPO on the HKEx

	Company name	Industry	IPO funds raised (HK\$bn)
1	AIA Group Ltd.	Financials	159.08
2	Industrial and Commercial Bank of China Ltd. - H Shares	Financials	124.95
3	Agricultural Bank of China Ltd. - H Shares	Financials	93.52
4	Bank of China Ltd. - H Shares	Financials	86.74
5	Glencore plc	Resources	77.75
6	China Construction Bank Corporation - H Shares	Financials	71.58
7	China Unicom Ltd.	Telecommunications	43.61
8	China CITIC Bank Corporation Ltd. - H Shares	Financials	32.92
9	China Mobile Ltd.	Telecommunications	32.67
10	China Minsheng Banking Corp., Ltd. - H Shares	Financials	31.23

Source: Hong Kong Exchanges and Clearing Limited

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Ten Largest Hong Kong IPOs in 2014

	Company name	Industry	IPO funds raised (HK\$bn)
1	Dalian Wanda Commercial Properties Co., Ltd. - H Shares	Properties & construction	28.80
2	CGN Power Co., Ltd. - H Shares	Utilities	28.21
3	HK Electric Investments and HK Electric Investments Ltd. -SS	Utilities	24.13
4	WH Group Ltd.	Consumer goods	18.31
5	BAIC Motor Corporation Ltd. - H Shares	Consumer goods	11.03
6	Shengjing Bank Co., Ltd. - H Shares	Financials	10.40
7	China CNR Corporation Ltd. - H Shares	Industrials	10.03
8	Harbin Bank Co., Ltd. - H Shares	Financials	8.77
9	Luye Pharma Group Ltd.	Healthcare	6.81
10	Tianhe Chemicals Group Ltd.	Materials	5.80

Source: Hong Kong Exchanges and Clearing Limited

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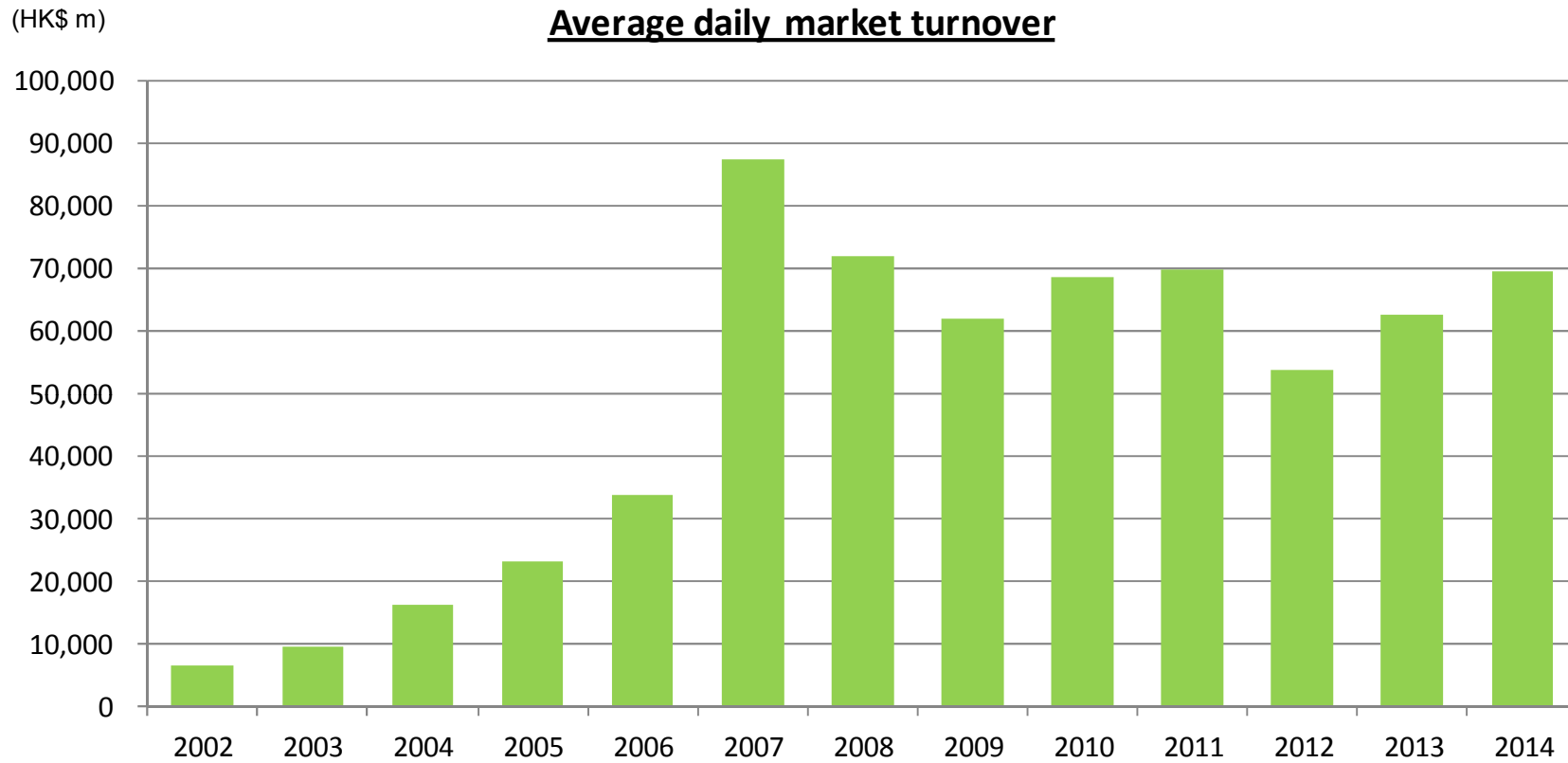
Gateway to Mainland China

	Unit	Total	Mainland Enterprise	% of Total
<u>As at 31 December 2014</u>				
No. of listed companies	Number	1,752	876	50%
Market capitalisation	HK\$bn	25,072	15,078	60%
<u>As of 31 December 2014</u>				
Total equity funds raised	HK\$bn	935.8	693.9	74%
- IPO funds raised	HK\$bn	227.7	195.1	86%
- Post IPO funds raised	HK\$bn	708.1	498.8	71%
Average daily equity turnover	HK\$bn	51.2	36.2	71%

Source: Hong Kong Exchanges and Clearing Limited

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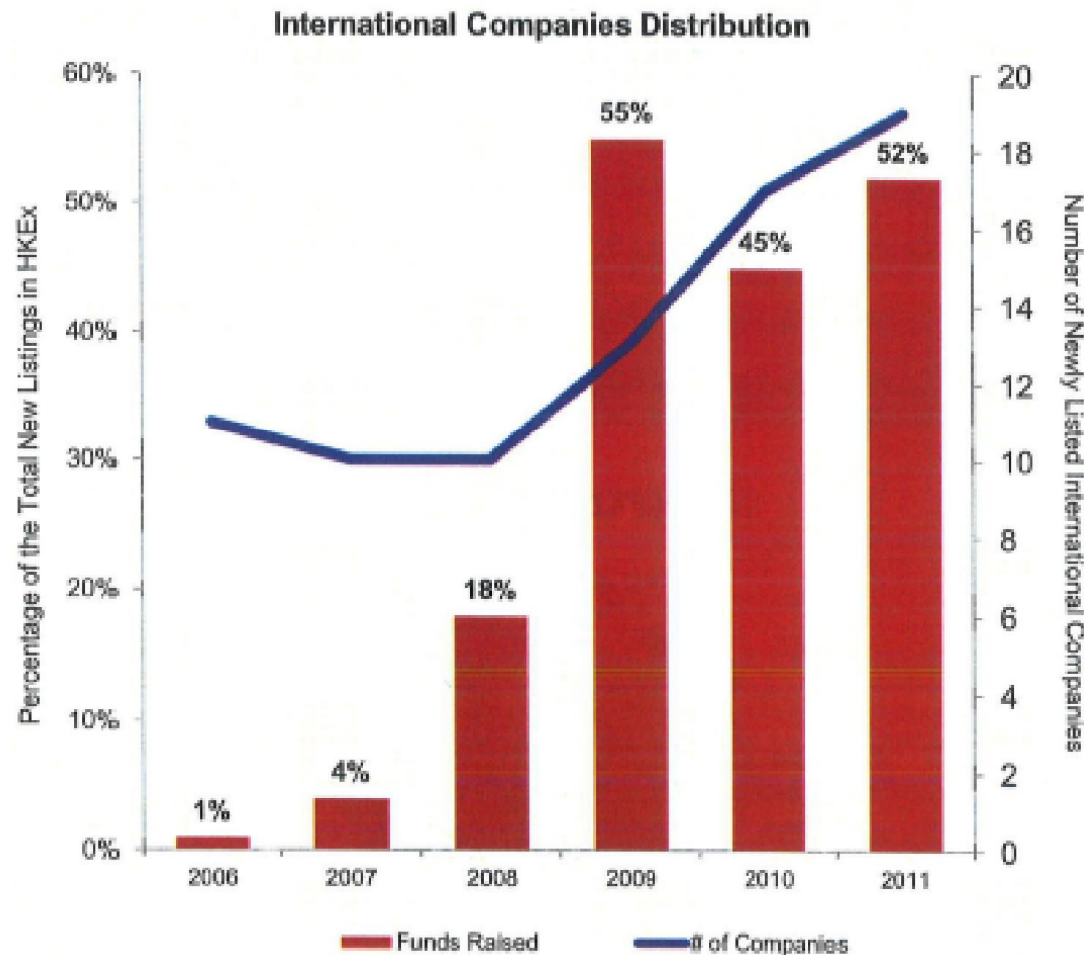
Strong Market Liquidity



Source: Hong Kong Exchanges and Clearing Limited

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International Companies Increasingly Choose to List in Hong Kong



By Numbers

- ▶ Increasing number of international companies continue to list in Hong Kong
- ▶ 2008 - 2011: the listing of international companies almost doubled

Source: Hong Kong Exchanges and Clearing Limited

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Selected International Listings

 USD20.4 bn US	 By Introduction US	GLENCORE USD10.6 bn* Switzerland
L'OCCITANE EN PROVENCE USD783 m France	 美高梅 USD1.6 bn US	 Mongolian Mining Corp USD745 m Mongolia
 PRADA MILANO USD2.5 bn Italy	 PRUDENTIAL By Introduction UK	 RUSAL USD2.2 bn Russia
Samsonite US\$1.3bil Luxembourg	 VALE By Introduction Brazil	 Wynn USD1.9 bn US

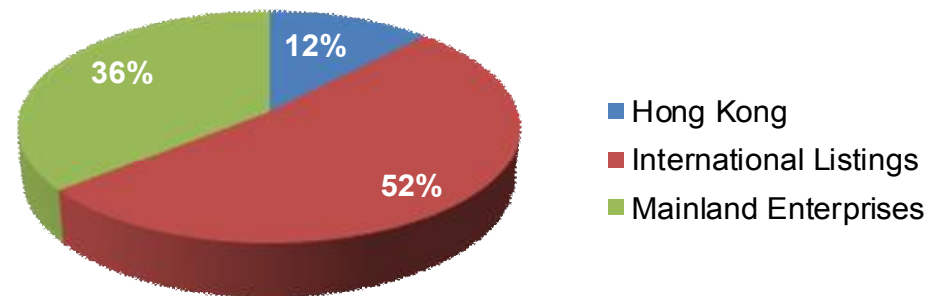
Source: Hong Kong Exchanges and Clearing Limited

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Key Drivers for International Listings

- ▶ Transparent and Efficient Listing Regime
- ▶ Critical Mass of World's Leading Brand Names
- ▶ Alignment of Issues' Growth Drivers and Shareholders
- ▶ Asia / China Nexus
- ▶ Global Investor Base

2011 IPO Funds Raised



Source: Hong Kong Exchanges and Clearing Limited

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Selected Secondary Listings on HKEx



Vale S.A.



NEW YORK

Coach, Inc.



Kazakhmys PLC



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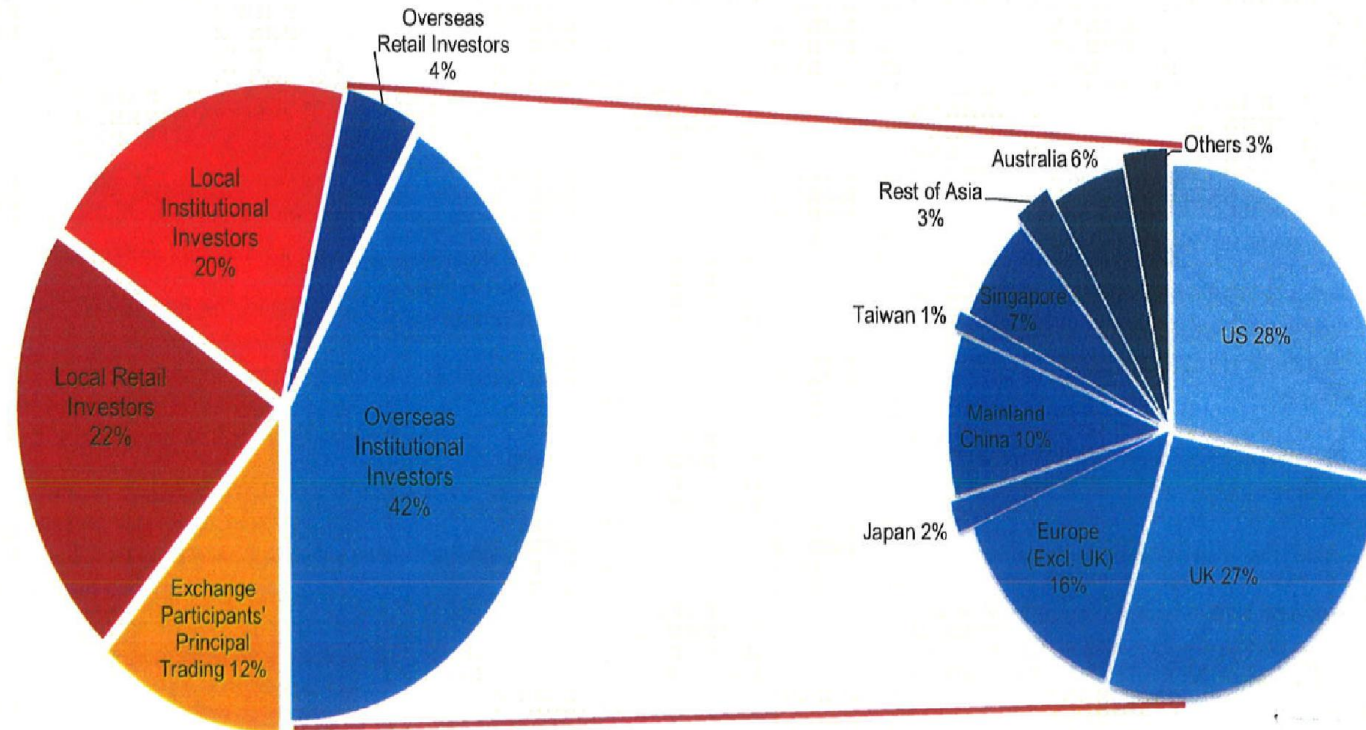
Source: Hong Kong Exchanges and Clearing Limited

Secondary Listing on HKEx

Company Name	Country of Incorporation	Listing Date on HKEx	Primary Exchange
Manulife Financial	Canada	27 Sep 1999	Toronto
SouthGobi Resources	Canada	29 Jan 2010	Toronto
Midas Holding	Singapore	6 Oct 2010	Singapore
Vale S.A.	Brazil	8 Dec 2010	Brazil
SBI Holdings	Japan	14 Apr 2011	Tokyo & Osaka
Glencore International	Jersey	25 May 2011	London
Kazakhmys	England & Wales	29 Jun 2011	London
CapitaMalls Asia	Singapore	18 Oct 2011	Singapore
Coach, Inc.	Maryland, US	1 Dec 2011	New York

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Diversified International Investor Base



Note: Numbers may not add up to 100% due to rounding

Source: HKEx Cash Market Transaction Survey 2010/2011

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Hong Kong's Markets

- ▶ **Main Board** – caters for established companies able to meet its profit or other financial requirements.
- ▶ **Growth Enterprise Markets (“GEM”)** – a second board for smaller growth companies. Has lower admission criteria and provides a stepping stone to Main Board listing.

Overseas Companies: Eligibility for Listing

- ▶ Attracting more overseas companies to list in Hong Kong is one of the Exchange's key policy initiatives.
- ▶ The Main Board and GEM Listing Rules allow the listing of companies incorporated in Hong Kong, China, Bermuda and the Cayman Islands (the “**Recognised Jurisdictions**”)
- ▶ Companies incorporated in other jurisdictions may list on the Exchange if they can demonstrate to the Exchange that their jurisdiction of incorporation has standards of shareholder protection which are at least equivalent to those provided in Hong Kong.
- ▶ Secondary listings are permitted on the Main Board (but not GEM) if the exchange of the applicant's primary listing provides standards of shareholder protection equivalent to those provided in Hong Kong.



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Overseas Companies: Eligibility for Listing

- ▶ In order to be eligible to list in Hong Kong, companies **not** incorporated in a Recognised Jurisdiction must either establish that their jurisdictions of incorporation provide comparable standards of shareholder protection to Hong Kong or amend their constitutional documents to provide the required standards of shareholder protection.
- ▶ The key shareholder protection standards required are set out in the Joint Policy Statement Regarding the Listing of Overseas Companies issued by HKEx and the SFC, which was updated on 27 September 2013 (the “**Joint Policy Statement**”).
- ▶ The HKEx has approved 21 jurisdictions as acceptable places of incorporation (the “**Acceptable Jurisdictions**”). These are Australia, Brazil, the British Virgin Islands, Canada (Alberta), Canada (British Columbia), Canada (Ontario), Cyprus, France, Germany, Guernsey, the Isle of Man, Italy, Japan, Jersey, Republic of Korea, Labuan, Luxembourg, Singapore, the United Kingdom, the States of California and Delaware in the United States.

Overseas Companies: Eligibility for Listing

- ▶ Guidance on meeting the required standards of shareholder protection for each Acceptable Jurisdiction is currently set out in the listing decision which approved the relevant jurisdiction. HKEx proposes to issue a Country Guide for each Acceptable Jurisdiction before the end of 2013 which will incorporate this guidance and replace the relevant listing decision. Companies incorporated in an Acceptable Jurisdiction should refer to these documents.
- ▶ If a company is **not** incorporated in a Recognised Jurisdiction, the Joint Policy Statement also requires that the statutory securities regulator of the overseas company's jurisdiction of incorporation **and** place of central management and control (if different) must:
 - be a full signatory of the IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information; or
 - have entered into a bilateral agreement with the SFC to provide for mutual assistance and exchange of information for the purpose of enforcing and securing compliance with the laws and regulations of the relevant jurisdiction and Hong Kong. The HKEx may exempt certain companies from this requirement, subject to the SFC's consent.

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Overseas Companies: Eligibility for Listing

- ▶ Factors which the HKEx takes into account in determining an overseas company's place of central management and control are:
 - where its senior management direct, control and coordinate the company's activities;
 - where its principal books and records are kept; and
 - where its business operations or assets are located.

Principal Listing Requirements

	Main Board	GEM
Operating History and Management	<p>A Main Board applicant must have a trading record of not less than 3 financial years with:</p> <ul style="list-style-type: none"> i. management continuity for at least the 3 preceding financial years; and ii. ownership continuity and control for at least the most recent audited financial year. <p>Exception:</p> <p>Under the market capitalization/ revenue test, the Exchange may accept a shorter trading record period under substantially the same management if the new applicant can demonstrate that:</p> <ul style="list-style-type: none"> a. its directors and management have sufficient and satisfactory experience of at least 3 years in the line of business and industry of the new applicant; and b. management continuity for the most recent audited financial year. 	<p>A GEM applicant must have a trading record of at least 2 full financial years with:</p> <ul style="list-style-type: none"> a. substantially the same management for the 2 preceding financial years; and b. continuity of ownership and control for the preceding full financial year.

Principal Listing Requirements (Cont'd)

	Main Board			GEM	
Financial Tests	Applicants must meet one of 3 financial tests below:			A GEM applicant must have :	
		1. Profit Test	2. Market Cap/ Revenue Test	3. Market Cap/ Revenue / Cash flow Test	a. positive cash flow from operating activities of >HK\$20 million (US\$2.6 million) in aggregate for the 2 preceding financial years; and
	Profit	Profit in respect of the most recent financial year of not less than HK\$20,000,000 and, in respect of the two preceding years, be in aggregate of not less than HK\$30,000,000	–	–	b. market cap of >HK\$100 million (US\$13 million) at the time of listing.
Market Cap	At least HK\$200 million (US\$26 million) at the time of listing	At least HK\$4 billion (US\$515 million) at the time of listing	HK\$2 billion (US\$257 million) at the time of listing		

Principal Listing Requirements (Cont'd)

	Main Board			GEM
Financial Tests	Applicants must meet one of 3 financial tests below:			A GEM applicant must have :
		1. Profit Test	2. Market Cap/ Revenue Test	3. Market Cap/ Revenue / Cash flow Test
	Revenue	–	At least HK\$500 million (US\$64 million) for the most recent audited financial year	At least HK\$500 million (US\$64 million) for the most recent audited financial year
Cash flow	–	–	Positive cash flow from operating activities of at least HK\$100 million (US\$13 million) in aggregate for the 3 preceding financial years	a. positive cash flow from operating activities of >HK\$20 million (US\$2.6 million) in aggregate for the 2 preceding financial years; and b. market cap of >HK\$100 million (US\$13 million) at the time of listing.

Principal Listing Requirements (Cont'd)

	Main Board	GEM
Public Float	<ul style="list-style-type: none"> ▶ At least 25% of the issuer's total issued share capital must be held by the public at all times. ▶ The market capitalisation at the time of listing of the publicly held shares must be at least HK\$50 million (US\$6.4 million) (for Main Board issuers) and HK\$30 million (US\$3.8 million) (for GEM issuers). ▶ The Exchange has a discretion to accept a lower percentage of between 15% and 25% for issuers with an expected market capitalisation at the time of listing of over HK\$10 billion (US\$1.3 billion). 	
Spread of Shareholders	<ul style="list-style-type: none"> ▶ There must be a minimum of 300 public shareholders at the time of listing 	<ul style="list-style-type: none"> ▶ There must be at least 100 public shareholders (which can include employee shareholders) at the time of listing.
	<ul style="list-style-type: none"> ▶ At the time of listing, not more than 50% of the publicly held securities can be beneficially owned by the 3 largest public shareholders 	

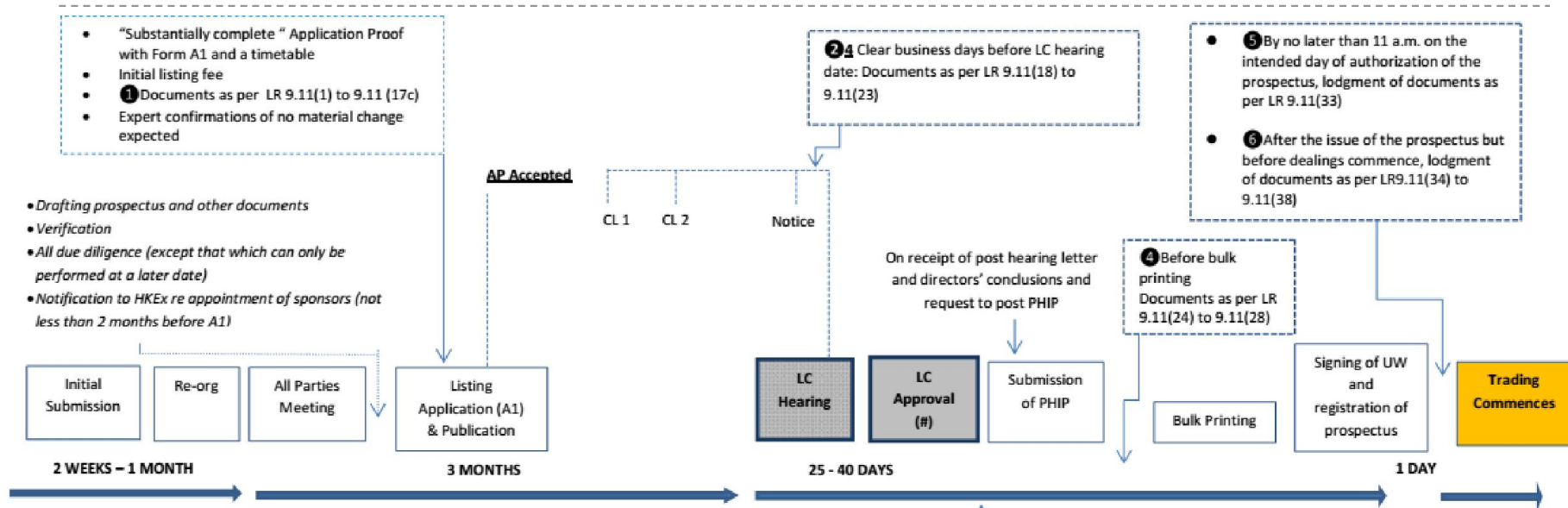
Other Listing Requirements

- ▶ **Accountants' Report:** A listing document must include an accountant report on the financial information for the track record period. The latest period reported on must end no more than 6 months before the date of the listing document.
- ▶ **Independent non-Executive Directors:** Must be at least 3: one must have appropriate professional qualifications or accounting or related financial management expertise. From 31 December 2012, INEDs must make up at least 1/3 of the Board.
- ▶ **Authorised Representatives:** Must be at least 2: either 2 directors or a director and the company secretary.
- ▶ **Share Registrar:** Issuer must employ an approved share registrar in HK to maintain register of members.
- ▶ **Audit Committee:** Must be made up of non-executive directors only; have 3 or more members; one must have appropriate professional qualifications or accounting or related financial management expertise; majority of members must be INEDs.
- ▶ **Remuneration Committee:** Majority of members (incl. Chairman) must be INEDs.
- ▶ **Process Agent for Overseas Issuer:** An overseas company must appoint a person authorised to accept service of process and notices on its behalf in Hong Kong.
- ▶ **Compliance Adviser:** Newly listed companies must appoint a Compliance Adviser for the period starting on the listing date and ending on the date of publication of results for the first full financial year commencing after listing (for MB issuers) and on the date of publication of results for the second full financial year commencing after listing (for GEM issuers).
- ▶ **Compliance Officer (for GEM issuers only):** GEM issuers must appoint one of their executive directors as a compliance officer.

Documents Required to be Submitted in Support of a MB Listing Application

<p>① Documents as per LR 9.11(1) to 9.11(17c)</p>	<p>② 4 Clear days before LC hearing date: Documents as per under LR 9.11(18) to 9.11(23)</p>	<p>③ As soon as practicable after the hearing of the application by the LC, but on or before the date of issue of the listing document submission of the documents as per LR's 9.11(29) to 9.11(32)</p>	<p>④ Before bulk printing Documents as per LR 9.11(24) to 9.11(28)</p>	<p>⑤ By no later than 11 a.m. on the intended day of authorization of the prospectus, lodgment of documents as per LR 9.11(33) (In case of a listing document which constitutes a prospectus under the CO)</p>	<p>⑥ After the issue of the prospectus but before dealings commence, lodgment of documents as per LR9.11(34) to 9.11(38)</p>
<ul style="list-style-type: none"> • AP's as required by HKEx and 2 CD-ROMs • sponsor's undertaking and statement of independence • compliance adviser's undertaking • advanced draft of requests for waiver from LRs and Companies Ordinance ("CO") • directors'/supervisors' confirmations relating to:- <ul style="list-style-type: none"> – accuracy of information contained in AP – accuracy directors'/supervisors' biographical details – updating the HKEx re changes to directors'/supervisors' biographical details – declaration in Form B/H/I • If AP contains an accountants' report, an advanced draft of any statement of adjustments relating to the accountants' report • draft deposit agreement • specimen certificate for the depositary receipts (if applicable) • a final or an advanced draft of the board's profit forecast memorandum • certified copy of the new applicant's certificate of incorporation • sponsor's letter re working capital • any other document required by the HKEx to support the listing 	<ul style="list-style-type: none"> • final proof of the listing document as required by the HKEx together with 2 CD-ROM • confirmation from the new applicant's legal advisers that the new applicant's articles of association are not inconsistent with the LR • a certified copy of the signed deposit agreement (if applicable) • unless previously provided, all executed requests for waiver from the requirements of the LR and the provisions of CO 	<ul style="list-style-type: none"> • dated and signed copy of each of the English and the Chinese language versions of the listing document • copy of the formal notice, where applicable • a copy of the written notification issued by HKSCC stating the securities will be Eligible Securities • every written undertaking and confirmation from the new applicant, its shareholders and/or other relevant parties to the HKEx referred to in the listing document • original signed sponsor declaration(s) required by rule 3A.13 	<ul style="list-style-type: none"> • final proof of the formal notice, (where applicable) and application forms, and statement re sufficiency of working capital • final copy of all draft documents submitted to support the listing application 	<ul style="list-style-type: none"> • application for authorisation for registration of the prospectus under section 38D(3) or section 342C(3) of the CO • 2 printed copies of the prospectus, duly signed in accordance with section 38D(3) or section 342C(3) of the CO • certificate issued by translator 	<ul style="list-style-type: none"> • certified copies of the resolution(s) of the new applicant in general meeting (if any) authorising the issue of all securities and resolution(s) of the board of directors delegating powers • copy of the placing letter (where applicable) • sponsor's declaration (Form E) • director's declarations (Form F and B/H/I as applicable)

IPO timeline



(#)	Rejections can be appealed through a separate mechanism
A1	Form A1 in Appendix 5 to the Main Board Listing Rules) with a timetable
AP	Application Proof
CL1	Comment letter 1 – within 10 days of receipt of AP
CL2	Comment letter 2 (if any) – WITHIN 10 days of replies to CL1
LC	Listing Committee
LR	Listing Rules of the Main Board of the HKEx
Notice	Notice to hearing
PHIP	Post Hearing Information Pack
UW	Underwriting Agreement

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- ▶ Charltons' extensive experience in corporate finance makes us uniquely qualified to provide a first class legal service
- ▶ Charltons have representative offices in Shanghai, Beijing and Yangon
- ▶ Charltons was named the **"Corporate Finance Law Firm of the Year in Hong Kong"** in the Corporate Intl Magazine Global Award 2014
- ▶ **"Boutique Firm of the Year"** was awarded to Charltons by Asian Legal Business for the years 2002, 2003, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014 and 2015
- ▶ **"Hong Kong's Top Independent Law Firm"** was awarded to Charltons in the Euromoney Legal Media Group Asia Women in Business Law Awards 2012 and 2013
- ▶ **"Equity Market Deal of the Year"** was awarded to Charltons in 2011 by Asian Legal Business for advising on the AIA IPO

Charltons



- ▶ Excellent links and networks with law firms worldwide.
- ▶ Julia Charlton was named a “**Leading Lawyer**” by Asia Law & Practice for the years 2002, 2003, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014 and 2015.
- ▶ “**Asian Restructuring Deal of the Year**” 2000 awarded to Charltons by International Financial Law Review for their work with Guangdong Investment Limited.
- ▶ Finalist for China Law & Practice’s “Deal of the Year (M&A)” 2007 for the work on Zijin Mining Group Co Ltd.’s bid for Monterrico Metals plc.

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Practice Areas

▶ Capital Markets

- listing on the Hong Kong, Shanghai, Shenzhen, London and Luxembourg stock exchanges
- IPOs and placings
- global offerings and GDRs

▶ Corporate and Commercial

- mergers and Acquisitions
- joint ventures
- stock exchange advisory
- corporate governance
- stock options
- employment law

▶ Investment Funds: China and Offshore

- unit funds and mutual funds approval/ investment companies
- authorised and unauthorised funds
- stock exchange listing (including Hong Kong, Dublin, London, Cayman, Bermuda stock exchanges)
- closed-end and open-ended structures
- hedge funds

▶ Securities

- compliance and disclosure
- dealing and advisory authorisations in Hong Kong and the PRC
- options



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Practice Areas

▶ Mergers and Acquisitions

- Hong Kong Code on Takeovers and Mergers
- public offerings
- reverse takeovers
- private acquisitions
- due diligence in China and elsewhere in Asia

▶ Derivatives

- structuring listed and unlisted derivatives
- placings on Hong Kong and Luxembourg listed warrants and other structured products
- compliance and regulatory

▶ Restructuring

- schemes of arrangement
- workouts
- corporate recovery
- asset injections

▶ Private Equity and Venture Capital

- optimum PRC and offshore structures
- PRC regulations
- preferred stock financing
- exit strategies

▶ Investment

- China investment regulations
- Vietnam investment regulations
- structuring a major foreign direct investment projects
- evaluation and due diligence



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Professional Experience

- ▶ Charltons has considerable experience in helping companies to list on the Main Board and the GEM Board of the Hong Kong Stock Exchange.
- ▶ Extensive experience in China



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The Charltons Team

The team is composed of individuals with the following knowledge and skills:

- ▶ A detailed knowledge of Hong Kong law and practice in relation to IPOs and equity fund raising transactions of public companies.
- ▶ Extensive experience of providing legal services for Hong Kong and PRC-related IPO transactions.
- ▶ In depth knowledge of the Listing Rules of both GEM and the Main Board of the Hong Kong Stock Exchange.
- ▶ Depth and range of experience in advising companies in connection with IPO and Listing transactions.

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Team Profile: Julia Charlton

Julia Charlton – Partner

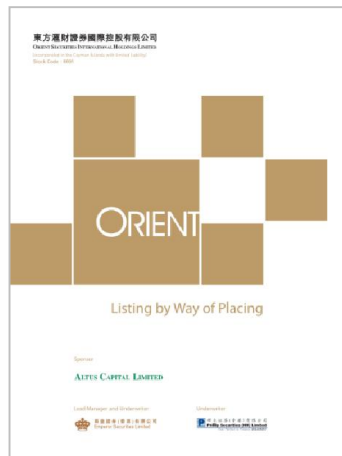
- ▶ Julia, LL.B (1st class Honours), A.K.C (Kings College, London) was admitted as a solicitor in England & Wales in 1985 and has practised as a solicitor in Hong Kong since 1987.
- ▶ Julia is a member of the Listing Committee of the Stock Exchange of Hong Kong Limited and the Takeovers Panel and the Takeovers Appeal Panel of the SFC.
- ▶ Julia was named a “**Leading Lawyer**” by Asia Law & Practice for the years 2002, 2003, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014 and 2015.
- ▶ Julia was named a “**Leading Advisor**” by Acquisition International for 2013.
- ▶ Julia was also named the “**Capital Markets Lawyer of the Year – Hong Kong**” in the Finance Monthly Global Awards 2014.
- ▶ Julia has extensive experience in China work and is a Mandarin speaker.



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Recent IPO Experience

- ▶ **Medicskin Holdings Limited** (listed on the GEM of the SEHK in December 2014, Charltons acted as the Hong Kong legal adviser to the company)



- ▶ **Orient Securities International Holdings Limited** (listed on the GEM of the SEHK in January 2014, Charltons acted as the Hong Kong legal adviser to the sponsor)

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Recent IPO Experience

- ▶ **Mastercraft International Holdings Limited**
(listed on the GEM of the SEHK in July 2012,
Charltons acted as the Hong Kong legal
adviser to the sponsor)

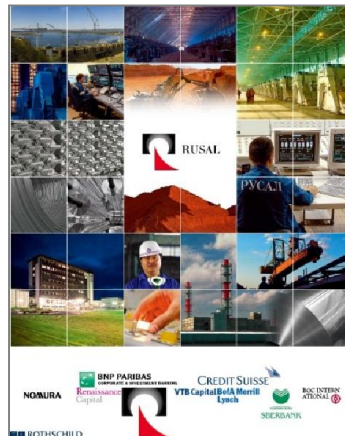
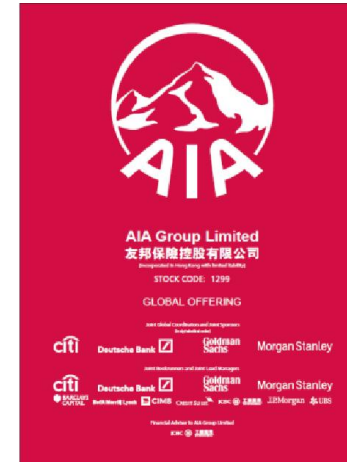


- ▶ **Branding China Group Limited** (listed on
the GEM of the SEHK in April 2012,
Charltons acted as the Hong Kong legal
adviser to the sponsor)

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Recent IPO Experience

- ▶ **AIA Group Ltd.** (listed on the Main Board of the SEHK in October 2010, Charltons acted as the Hong Kong legal adviser to AIG, a shareholder)

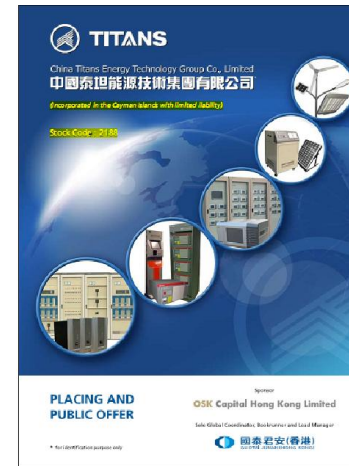


- ▶ **United Company RUSAL Plc** (listed on the Main Board of the SEHK in January 2010, Charltons acted as the Hong Kong legal adviser to the controlling shareholder)

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Other IPO Experience

- ▶ **China Titans Energy Technology Group Co., Limited** (listed on the Main Board of the SEHK in May 2010, Charltons acted as the Hong Kong legal adviser to the sponsor)

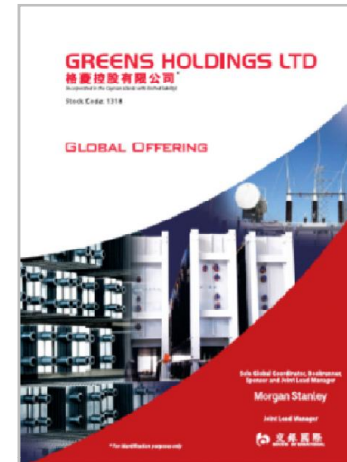


- ▶ **Mingfa Group (International) Company Limited** (listed on the Main Board of the SEHK in November 2009, Charltons acted as the Hong Kong legal adviser to the company)

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Other IPO Experience

- ▶ **Greens Holdings Limited** (listed on the Main Board of the SEHK in November 2009, Charltons acted as the Hong Kong legal adviser to the company)

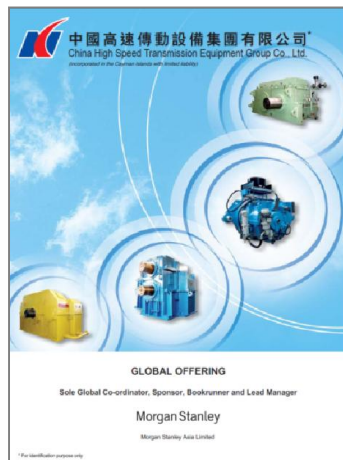


- ▶ **China All Access (Holdings) Limited,**
 - sponsored by Guotai Junan Capital Limited
 - listed on the Main Board of the Exchange in September 2009, Charltons acted as the Hong Kong legal adviser to the sponsor

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Other IPO Experience

- ▶ **China Tianyi Fruit Holdings Limited** (listed on the Main Board of the SEHK in July 2008, Charltons acted as the Hong Kong legal adviser to the sponsor)

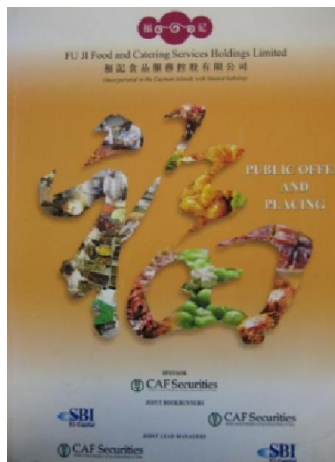
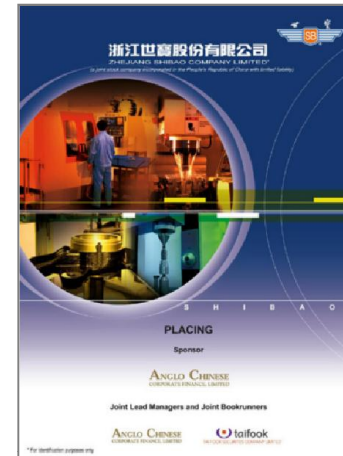


- ▶ **China High Speed Transmission Equipment Group Co., Ltd.**
 - sponsored by Morgan Stanley
 - listed on the Main Board of the Exchange in 2007, Charltons acted on behalf of the company
 - with market capitalisation on listing of approximately HK\$2,442,000,000 (US\$313,600,000)

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Other IPO Experience

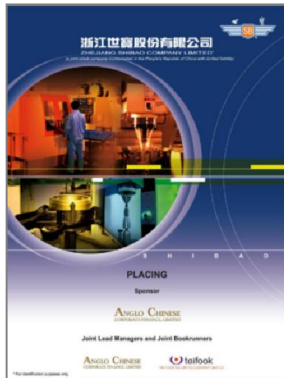
- ▶ **Zhejiang Shibao Co., Ltd.**, (listed on the GEM in May 2006, Charltons acted as the Hong Kong legal adviser to the company)



- ▶ **Fu Ji Food and Catering Services Holding Ltd.** (listed on the Main Board of the SEHK in December 2004, Charltons represented the strategic investor)

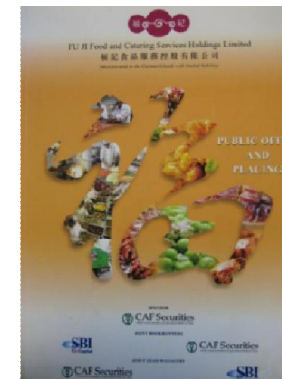
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Other IPO Experience



- ▶ **Zhejiang Shibao Co., Ltd.**, (listed on the GEM in May 2006, Charltons acted as the Hong Kong legal adviser to the company)

- ▶ **Fu Ji Food and Catering Services Holding Ltd.** (listed on the Main Board of the SEHK in December 2004, Charltons represented the strategic investor)



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Other IPO Experience

- ▶ **China Fire Safety Enterprise Group Holdings Ltd.** (listed on the GEM of the SEHK in September 2002, Charltons represented the strategic investor)
- ▶ **Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co. Ltd.** (listed on GEM of the Exchange in August 2002, Charltons acted as the Hong Kong legal adviser to the sponsor)
- ▶ **Tianjin TEDA Biomedical Engineering Co. Ltd.** (listed on GEM of the Exchange in June 2002, Charltons acted as the Hong Kong legal adviser to the sponsor)
- ▶ **Zheda Lande Scitech Ltd.** (listed on GEM of the Exchange in May 2002, Charltons acted as the Hong Kong legal adviser to the company)
- ▶ **TradeEasy Holdings Ltd.** (listed on GEM of the Exchange in March 2002, Charltons acted as the Hong Kong legal adviser to the company) (it is now renamed as Merdeka Resources Holdings Limited)
- ▶ **E. Bon Holdings Ltd.** (listed on the Main Board of the Exchange in April 2000, Charltons acted as the Hong Kong legal adviser to the sponsor)
- ▶ **Great Wall Technology Co. Ltd.** (listed on the Main Board of the Exchange in August 1999, Charltons acted as the Hong Kong legal adviser to the company) (the then market capitalisation was valued approximately at HK\$3,772,890,000)

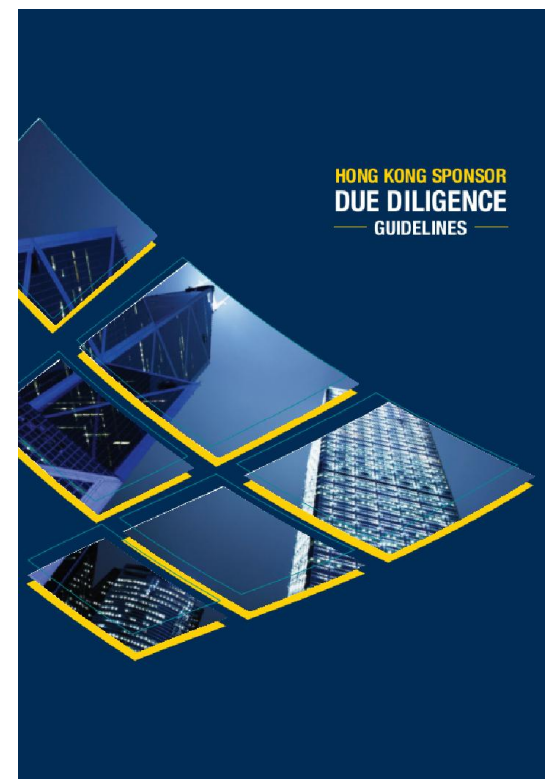
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The Regulatory Regime for IPO Sponsors (cont'd)

- ▶ The sponsors regulatory regime includes:
 - Prospectus liabilities
 - The amended Companies Ordinance clearly states that sponsors have both civil and criminal liabilities for misstatements in prospectus.
 - New Paragraph 17 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the “**Code of Conduct**”)
 - And higher standards applicable to IPO sponsors, emphasising the standard of due diligence and requirements in relation to the recording of the work undertaken.
 - Listing Rules by the HKEx covering listing timetable, guidance materials and templates.

The Regulatory Regime for IPO Sponsors (cont'd)

- ▶ Paragraph 17 of the Code of Conduct sets out the outcomes expected by the SFC, but does not address how such outcomes are to be achieved.
- ▶ In order to help sponsors and other IPO participants better understand the revised standards contained in the Code of Conduct, Charltons acted as the co-ordinating law firm in relation to the publication of the Hong Kong Sponsors Due Diligence Guidelines (“**Due Diligence Guidelines**”) produced jointly by leading Hong Kong law firms, two of the Big Four accounting firms and more than 40 banks or financial advisory businesses.
- ▶ In addition to drafting the Due Diligence Guidelines, Charltons is responsible for managing and leading the publication of the Due Diligence Guidelines.
- ▶ The Due Diligence Guidelines can be downloaded for free at www.duediligenceguidelines.com, a web site created and managed by Charltons.



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The Regulatory Regime for IPO Sponsors (cont'd)

- ▶ The Due Diligence Guidelines are 762 pages long and were completed over a year of extensive consultation.
- ▶ A number of international and PRC investment banks in Hong Kong, medium-sized local sponsors and professional institutions (e.g. CCB International (Holdings) Limited, Linklaters and KPMG) were involved in the consultation process.



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The Regulatory Regime for IPO Sponsors (cont'd)

- ▶ The Due Diligence Guidelines include chapters on :
 - Knowing the Listing Applicant and its Management
 - Verification Practice
 - Business Model
 - Interviews of Major Business Stakeholders
 - Controlling Shareholders' Relationship with the Listing Applicant
 - Connected Persons and Connected Transactions
 - Financials
 - Internal Controls
 - Material Contracts
 - Biological Assets



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