Asia Asset Management
The Journal of Investments & Pensions
Thursday, June 18, 2015
11:48 AM HKT

Guoyuan eyes Hong Kong listing

15 June 2015 Category: News, Asia, China, Global By Derek Au

0 Recommend

Guoyuan Securities (Hong Kong), the first offshore securities firm approved by the China Securities Regulatory Commission (CSRC), has set its sights on a listing in Hong Kong amid growing opportunities from the opening up of the Mainland's capital markets.

The firm, the offshore arm of Shenzhen-listed Guoyuan Securities, operates asset management, securities trading, securities research, corporate finance, among other businesses in Hong Kong.

Speaking to *Asia Asset Management*, Wang Erhong, director and chief executive officer at Guoyuan Securities (Hong Kong), revealed that the firm plans to float its shares in the Hong Kong market, meaning a spin-off from the parent company.

"If there is a possibility, I would think listing in Hong Kong alone is an option for us," Mr. Wang said, without disclosing the scheduled timeline for the move.

In addition, Mr. Wang revealed the possibility of its parent company issuing H-shares for a listing in Hong Kong. The remark came as its peers, Huatai Securities and GF Securities, have recently listed their H-shares in Hong Kong, leading the way in terms of IPO fundraising amounts so far this year with HK$34.7 billion (US$4.5 billion) and HK$32.1 billion respectively. This was on the back of the recent equity market euphoria, which offers opportunities for companies to raise capital from investors.

Guoyuan Securities (Hong Kong) has focussed on private fundraising, taking part in the Shanghai-Hong Kong Stock Connect and RQFII programme as a way to help clients tap the Chinese onshore market. The frenetic rally in A-shares, which saw Shanghai-listed equities soar around 60% so far this year, has been conducive to Chinese brokerage firms and fund managers on the back of improved investment sentiment as indicated by massive market turnover.

Mr. Wang believes the impending Shenzhen-Hong Kong Stock Connect, which is expected to go live within this year, would yield a better response compared to the Shanghai "through train", in part due to the more robust capital and information flows between the two southern cities.

He believes the MSCI declining the immediate inclusion of A-shares in its emerging markets index would speed up the implementation of the Shenzhen stock link which could further help open up the Mainland capital markets.