



Overseas Listing of Chinese Companies: “Homecoming” Opportunities for Hong Kong (9 Nov 2021)

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Despite the outbreak of the coronavirus in 2020, Chinese IPO numbers and volumes remained robust, with many of them listed on stock exchanges in Hong Kong or other overseas destinations. In the tech trade war between China and the United States, new rules from the two governments may have a significant impact on the overseas listings of Chinese companies. Given the importance of “homecoming” towards Hong Kong, the Center for Chinese and Comparative Law (CCCL) of the School of Law of the City University of Hong Kong conducted an online academic seminar on November 9, 2021, inviting **Ms. Lan Jie** as the guest speaker to explain how the return of Chinese companies has become a valuable opportunity for Hong Kong.

The seminar started with the opening speech by CCCL Director **Prof. Wang Jianguy** who thanked all the participants’ support and participation in this event, explained the purpose of this seminar and introduced all the speakers and discussants. **Ms. Lan Jie** is currently a partner at Haiwen & Partners, based in its Beijing office. Before joining Haiwen, she worked for five years as a counsel at Freshfields Bruckhaus Deringer’s Hong Kong and Beijing offices, as well as Cravath, Swaine & Moore LLP’s New York and Hong Kong offices. Since her practice focuses primarily on general corporate work, capital market transactions, and mergers and acquisitions, she provided a sufficient overview of the path to listing for Chinese companies recently. By comparing certain key points in Hong Kong, New York, Mainboard, STAR Board, and ChiNext markets, participants could understand different requirements for overseas listings. Ms. Lan then focused on introducing typical red-chip companies and structures; and explained Chinese company sets up an offshore company for overseas listing purposes that allows foreign investors to buy into the stock in a VIE. Furthermore, she also detailed the conflict between China and the US on the regulation of companies listed in the US. Indeed, it could be clarified as a conflict between PCAOB’s request for inspection of accounts and the PRC’s protection of state secrets and information. Ms. Lan used some recent cases of PRC companies delisting in the US to argue that the PRC government is contemplating strengthening supervision of overseas listings by Chinese concept companies. Last but not least, Ms. Lan predicted that due to Sino-US disagreements on the overseas listing, it would become a great opportunity for Hong Kong as more US-listed Chinese companies would seek a secondary or dual primary listing on the Hong Kong bourse. She cited Alibaba Group, NetEase, Baidu, and Bilibili as examples of the Hong

Kong stock market's strengths in comparison to other Asian and even US markets. She, in the end, pointed out that the SPAC listing framework in Hong Kong was currently only under consultation, but many believe the SPAC framework would perhaps provide another attractive route to listing in Hong Kong.

After Ms. Lan's thought-provoking presentations, there was a group discussion session during which **Prof. Wan Wai Yee, Dr. Qu Zhen, and Dr. Lauren Yu-Hsin Lin** prepared some questions relating to the topic. All the discussants and participants took this opportunity to express their views with regard to the overseas listing of Chinese companies. This 3-hour seminar was concluded with a short closing speech by **Prof. Wang Jianguy**, who thanked the presenters for their valuable contributions and all the participants for their attendance, which made this seminar a fruitful success.



Ms. Lan Jie, speaker of the seminar.



Professor Wang Jianguy, Chairperson of the seminar and Dr. Qu Zhen, discussant of the seminar.



Dr. Lauren Yu-Hsin Lin and Professor Wan Wai Yee, Discussant of the seminar.