



Raising Equity Capital in China

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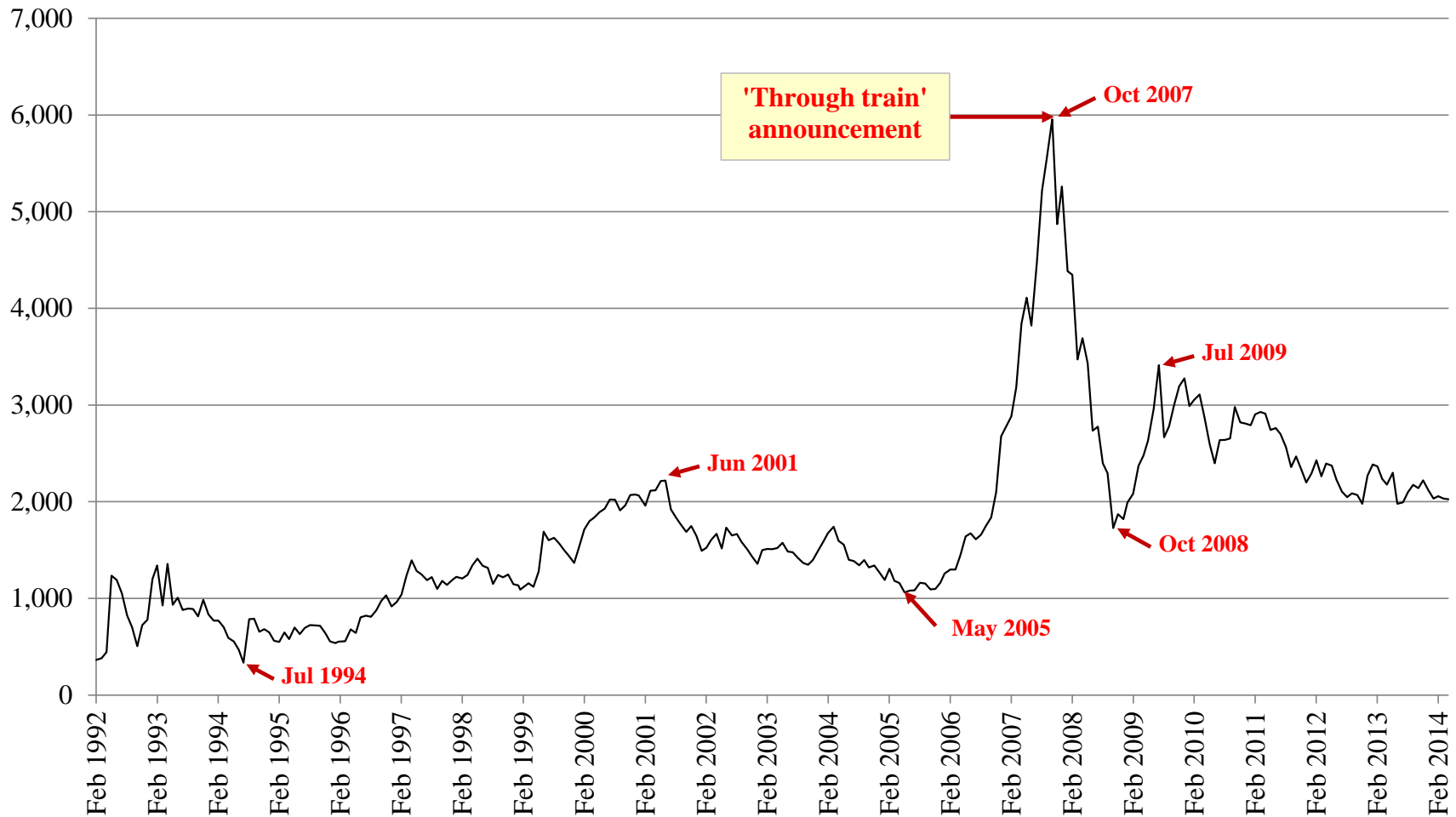
CARE Conference 'Understanding China's Capital Markets'

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Evolution of Shanghai market index

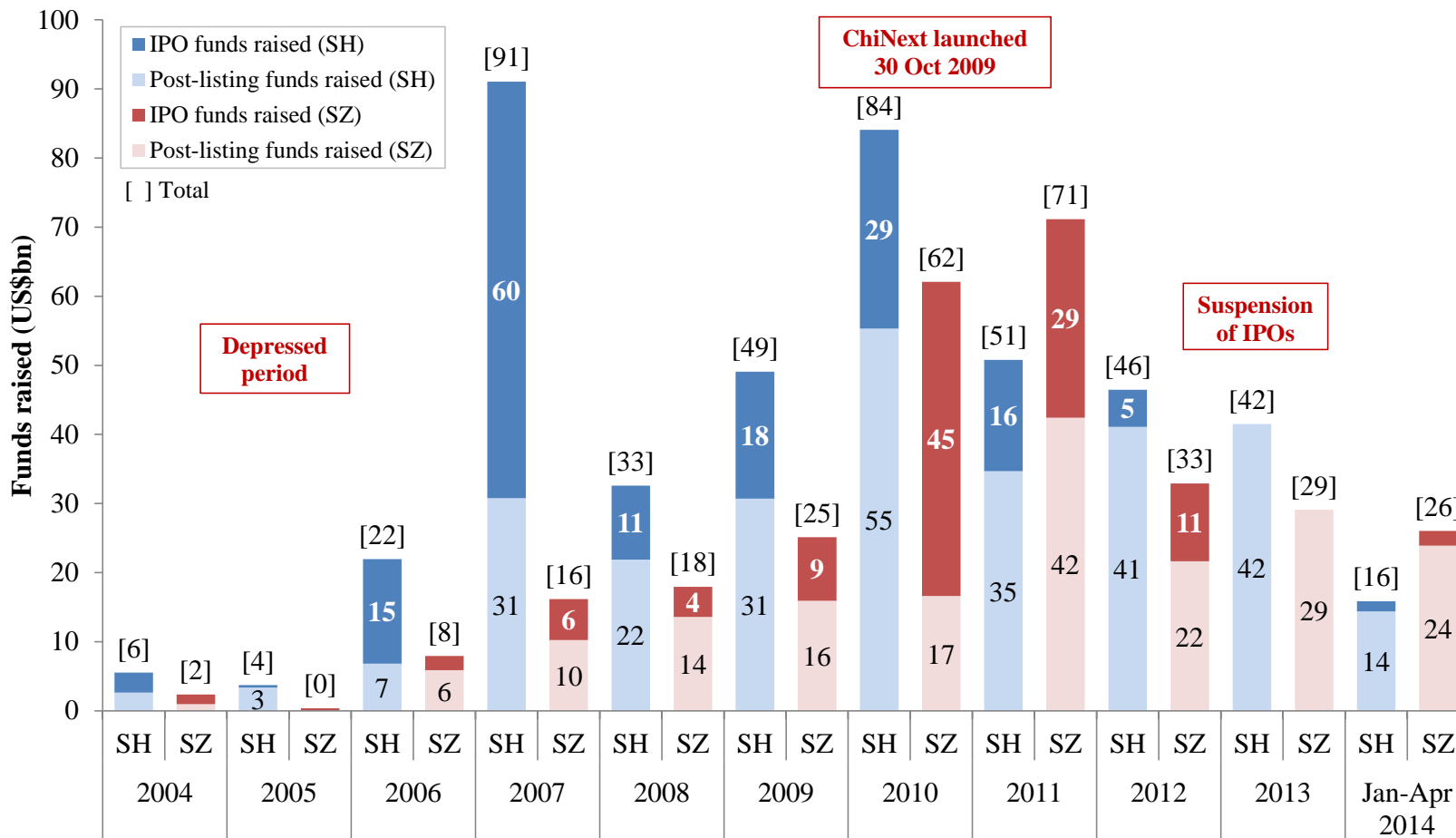
SSE Composite Index – Monthly closing (Feb 1992 – Apr 2014)



Equity funds raised on Mainland markets



Equity funds raised on Shanghai and Shenzhen stock exchanges (2004 – Apr 2014)

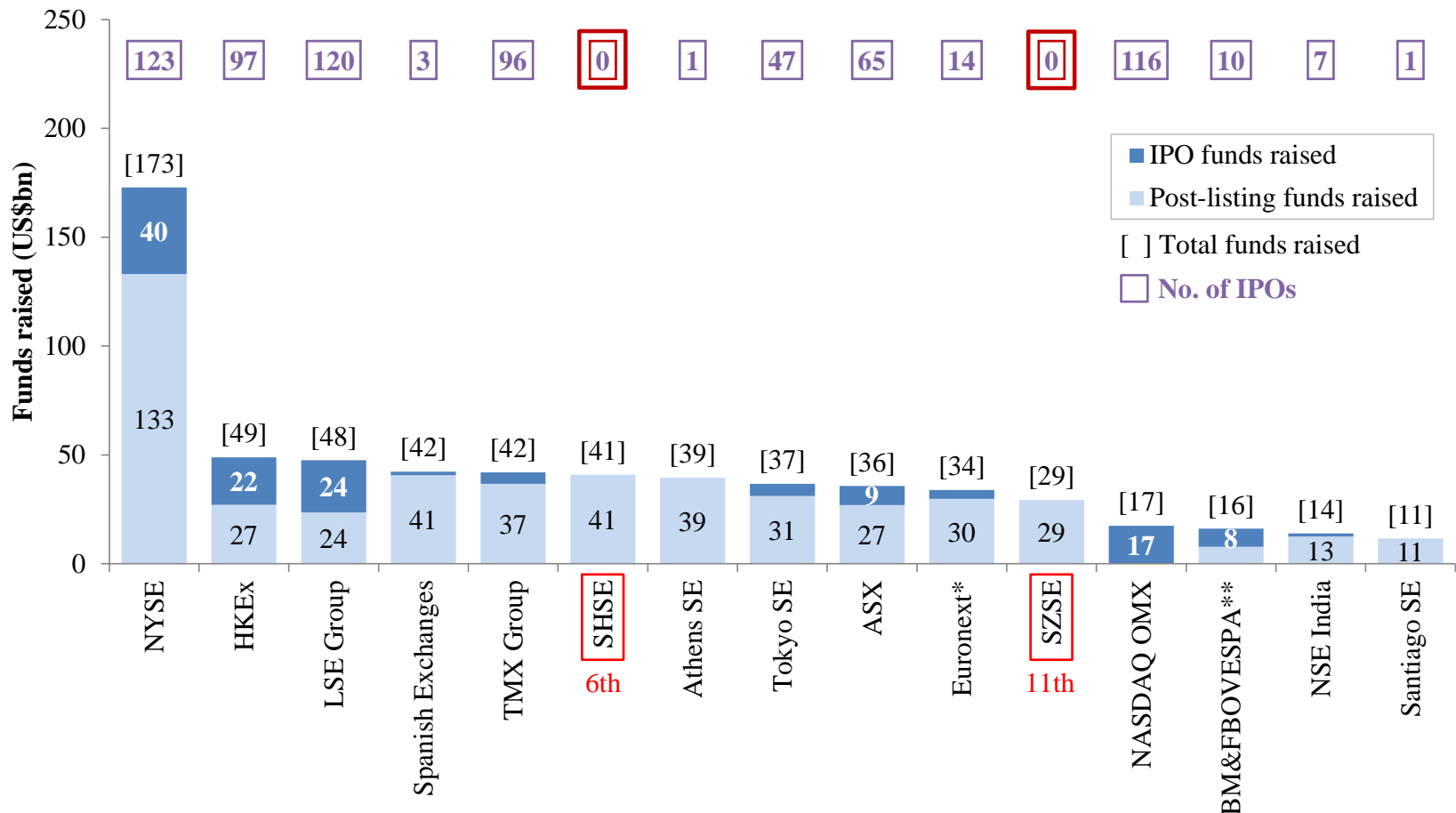


Sources: Shanghai Stock Exchange (SHSE) and Shenzhen Stock Exchange (SZSE); exchange rates from HKMA

Equity funds raised – World rankings, 2013



Top 15 stock exchanges by total equity funds raised (2013)

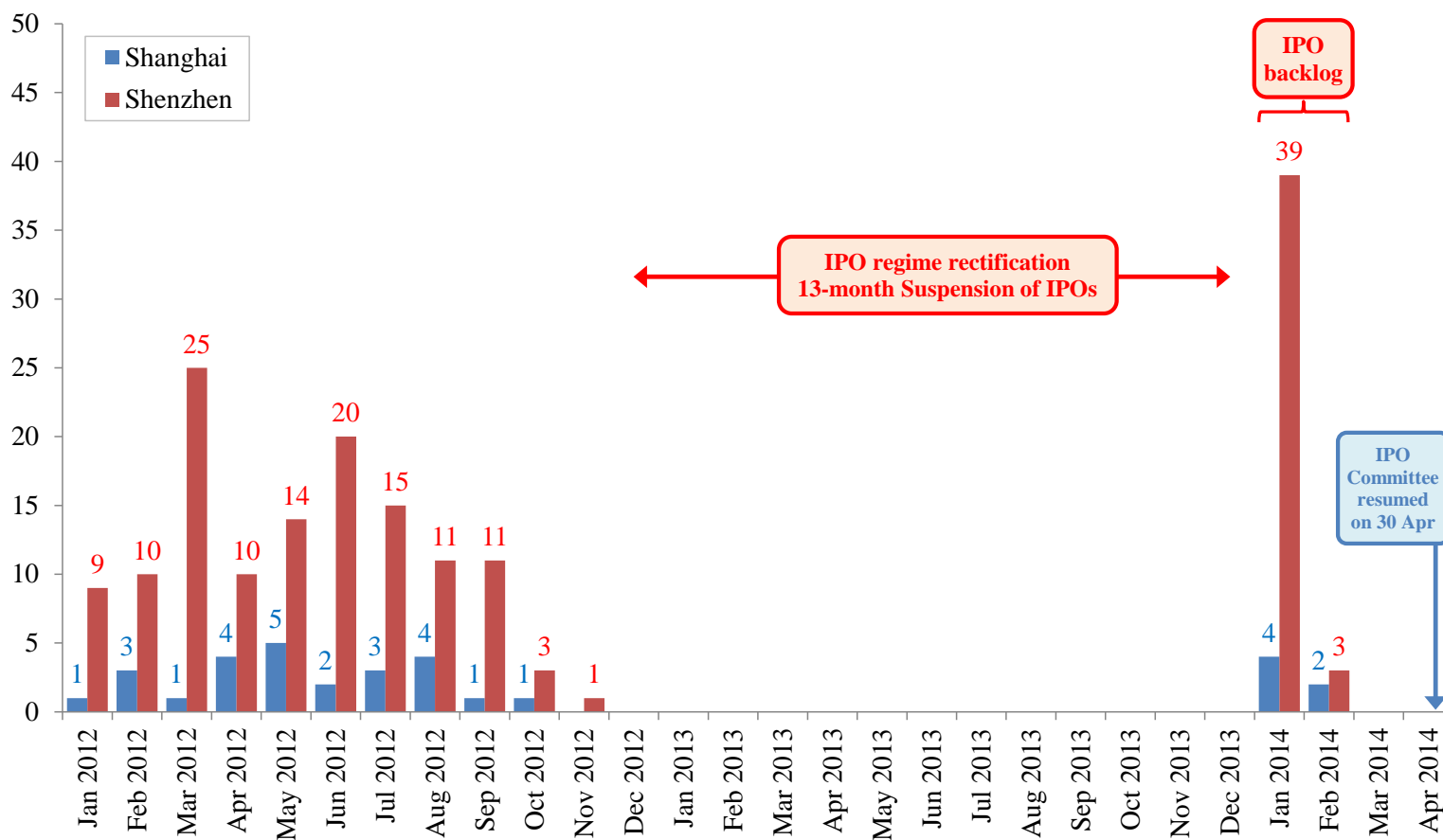


* Euronext: IPO figures from Euronext; post-listing figures (Jan-Feb only) from WFE
Sources: World Federation of Exchanges (WFE) and Euronext

** BM&FBOVESPA: Sep 2013 figures not available

IPO suspension

Number of IPOs per month on Shanghai and Shenzhen stock exchanges (Jan 2012 – Apr 2014)



Sources: Shanghai Stock Exchange (SHSE) and Shenzhen Stock Exchange (SZSE)

Current policy initiatives impacting Mainland stock market



State Council	Third Plenum (Nov 2013) <ul style="list-style-type: none"> Multi-layer capital market Registration-based share issuance system Exchange rate liberalisation Interest rate liberalisation FTZs 		Shanghai-Hong Kong Stock Connect <ul style="list-style-type: none"> Announcement 10 April 2014 		New National Nine Rules (May 2014) <ul style="list-style-type: none"> Open up capital market Open securities industry Registration of IPOs Etc 		
	PBOC / CBRC SAFE	Banks <ul style="list-style-type: none"> Industry reform Capital strengthening 	Shanghai FTZ <ul style="list-style-type: none"> Pilot rules Feb 2014 	Interest rates <ul style="list-style-type: none"> Liberalisation steps 	Bank capital <ul style="list-style-type: none"> Preference share issue guidelines 		
CSRC		Rectification of IPOs <ul style="list-style-type: none"> Reform of new shares issuance regime IPO suspension 		IPO resumption (Jan 2014) <ul style="list-style-type: none"> Registration system Investigation of further irregularities Review Committee resumes 30 April 		Preference shares <ul style="list-style-type: none"> Pilot Programme March 2014 	SH-HK Stock Connect <ul style="list-style-type: none"> Consultation on rules for SH-HK Stock Connect

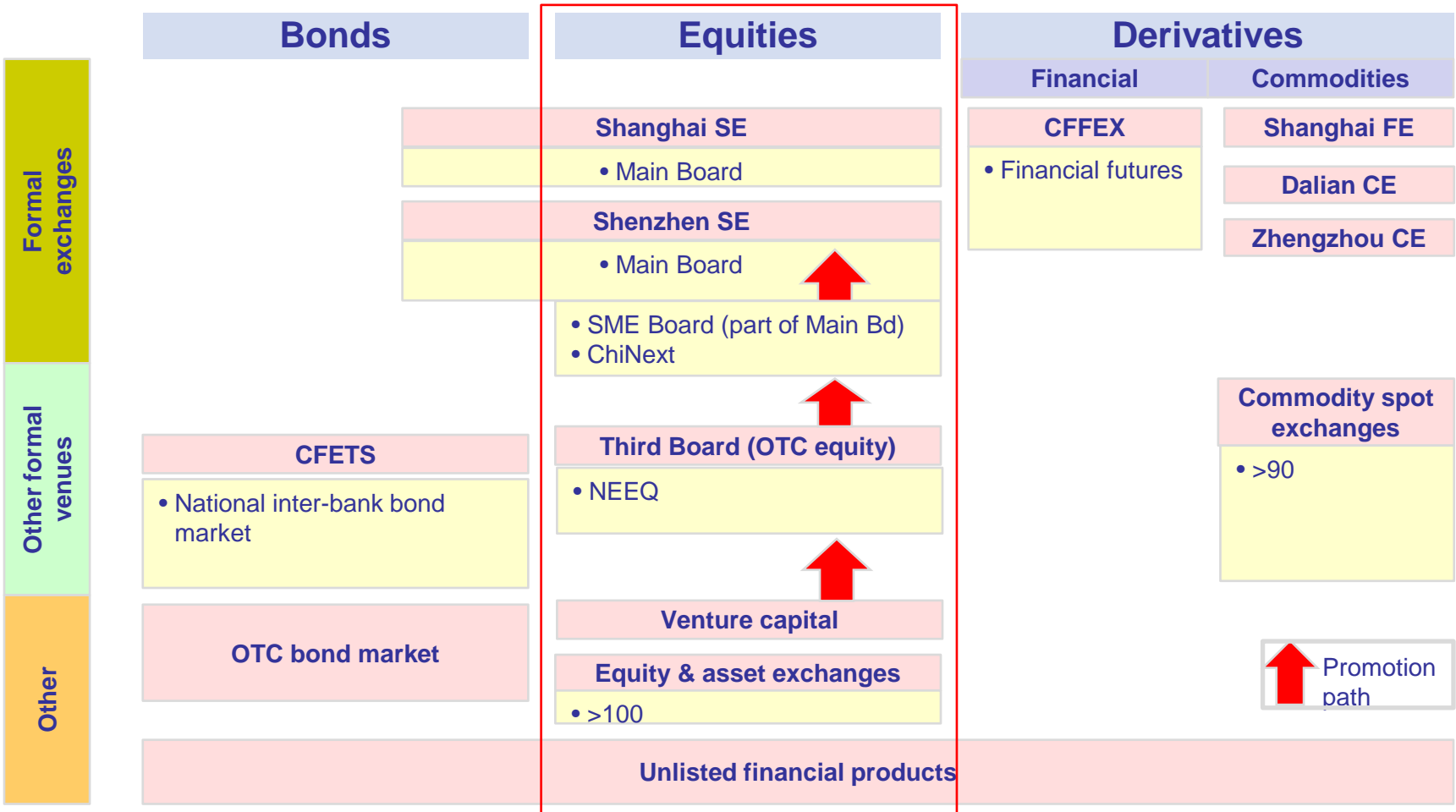
CSRC – China Securities Regulatory Commission
 CBRC – China Banking Regulatory Commission
 NEEQ – National Equity Exchange & Quotation

PBOC – Peoples Bank of China
 SAFE – State Administration of Foreign Exchange

Period of rapid policy change



Multi-layer capital market — Conceptual model



Complex ecosystem serving a large economy in transition