

Faster IPO approvals for unicorns

CSRC plans more steps to attract listings from innovative firms

By LI XIANG
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The securities regulator has reportedly accelerated the approval of initial public offerings for technology and innovative companies in hopes of retaining future technological giants in the home market.

The regulator has shortened the IPO approval period for companies in four areas: biochemistry, cloud computing, artificial intelligence and advanced manufacturing, said Tencent Finance, the business media outlet affiliated with technology company Tencent Holdings Ltd, in a report on Wednesday, citing people with knowledge of the matter.

The report said that the regulator has also loosened requirements on profitability and shareholding structures of the so-called unicorn companies (those with valuation of at least \$1 billion) in the four industrial areas.

The China Securities Regulatory Commission did not respond to China Daily's inquiry on the matter on Thursday.

The report generated heated discussions in the industry over Chinese regulator's next



Employees put finishing touches to circuit boards in a Foxconn factory in Shenzhen, Guangdong province. The firm plans to issue shares on the Shanghai Stock Exchange soon. AFP PHOTO

move on IPO rule change as CSRC officials have vowed to make the country's IPO market more inclusive and more favorable for technology firms.

The faster-than-expected IPO process by electronics manufacturer Hon Hai Precision Industry Co Ltd, better known as Foxconn, to float shares in the Shanghai Stock Exchange, has also generated expectation for greater encouragement and regulatory support of IPOs from high-tech and emerging sectors.

While any major revamp of

the current IPO rules would require the amendment of the Securities Law, analysts said that the regulator will need to improve the existing share offering system to better facilitate the fundraising needs of the country's innovative startups.

"The reform should focus on areas including giving the market greater say in IPO pricing, re-designing the regulatory arrangement to make the market more inclusive for innovative companies and granting stock exchanges greater power on reviewing

IPO applications," said Dong Dengxin, a finance professor at Wuhan University of Science and Technology.

The stock exchanges on the Chinese mainland are facing greater competition from overseas bourses including those in Hong Kong and New York that are vying for technology IPOs from the Chinese mainland.

The Hong Kong Stock Exchange is expected to accept IPO applications under dual-class share structures soon and it will allow biotech companies with no profit or reve-

nue to float shares on the bourse.

Zhang Shenfeng, assistant chairman of the CSRC, said earlier that the regulator will strengthen the capability of the capital market to serve the economy, in particular the high-tech and innovative sectors.

Accounting firm EY forecast in a report that the Chinese mainland market will accelerate to clear the strong IPO backlog and IPO funds raised in Hong Kong are expected to reach more than HK\$200 billion (\$25.6 billion) this year.

Banks eye boon in underwriting for tech startups

By LI XIANG

Chinese investment banks are seeking new opportunities in their underwriting business for companies' initial public offerings as the regulator is expected to loosen IPO rules to allow more technology startups to raise funds in the stock market.

Several securities firms have said that they have been actively storing new projects in their IPO pipeline and they have made technology-related IPO underwriting a main business focus.

"We have been closely following the policy trend and the new market trend," said Guangfa Securities Co Ltd in a written response to China Daily.

"Companies from new and emerging sectors will be the key clients that we are seeking to obtain. We will focus on good quality companies with strong technological advantage and strong profitability potential," it added.

The China Securities Regulatory Commission and the country's stock exchanges lately have increasingly voiced support for fundraising plans by companies with new technology or new business models via IPOs in the public equity market.

The Shenzhen Stock Exchange said in its development plan for 2018-20 that it will reform the startup board and will loosen the profitability requirements for initial public offerings and consider new share structures for high-tech and innovative companies.

Shenwan Hongyuan Securities Co Ltd said that it is engaging companies from sectors including the pharmaceutical, medical, technology, telecommunication, advanced manufacturing and environmental protection sectors, and it is offering

“Companies from new and emerging sectors will be the key clients that we are seeking to obtain.”

Written response from Guangfa Securities Co Ltd

them consulting services for their IPO preparations.

The rise of the "new economy" has stimulated related companies to raise funds through IPOs, which had challenged the adaptability of the existing IPO policies in the Chinese market to accommodate their fundraising needs, analysts said.

They expected the Chinese regulator to take a major step forward this year in reforming its capital market to drive the internationalization of the A-share market and help the market maintain its leading position in global markets.

"The existing system in the capital market hasn't been able to reflect the trend of the development of the new economy. There is an urgent need to reform the current rules to better support the country's ongoing economic transition," Shenwan Hongyuan Securities was quoted by China Securities Journal as saying.

The securities firm said Chinese regulators will need to clear several market hurdles including the ban on IPOs by Chinese companies registered in overseas markets and technology startups with dual-class share structures.

Nation to further efforts in big data to serve real economy

By OUYANG SHIJIA in Beijing and YANG JUN in Guiyang
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China is ramping up efforts to promote further integration of big data with the real economy and foster the long-term growth of the country, said an official at the Ministry of Industry and Information Technology.

More efforts should be

made to advance the national big data strategy, optimize the network infrastructure, develop regional data centers, promote the development and industrialization of core big data technologies and safeguard data security, according to Li Guanyu, deputy director of the information and software service division at the ministry.

"We will continue to boost the integration of information

and industrialization management systems. Together with related ministries, we will enable a better environment and ultimately boost the development of big data," Li said on Wednesday at a news conference in Beijing.

Li stressed that as part of its efforts to integrate big data with the real economy, the ministry will continue to support the upcoming 2018 China International Big Data Industry Expo.

The fourth big data expo is set to be held from May 26 to 29 in Guiyang, Guizhou province. The expo will be the latest opportunity to market the State-backed big data hub's benefits.

With a key focus on the digital economy and big data development, the 60,000-square-meter expo is set to attract more than 400 companies and over 50,000 visitors.

The expo will attract a wide range of leading domestic and

overseas internet and tech tycoons and companies, including Alibaba Group Holding Ltd, Tencent Holdings Ltd, Huawei Technologies Co Ltd and foreign giants such as Apple Inc and Intel Corp.

Five high-level talks and dozens of professional forums are planned during the event, covering topics related to artificial intelligence, data security, internet of things, sharing economy, poverty alleviation and block chain.

Daily Stock Market Performance



Gainers and Losers

GAINERS			LOSERS		
Company	Close	Daily % Chg	Company	Close	Daily % Chg
Beijing Teamsun Tech	10.75	10.03	ShandongJiangqnIndustry	7.38	-8.55
Luxin Venture Capital	12.73	10.03	Sjtec Corp	52.44	-7.87
Anhui Tongfeng Electr	4.72	10.02	Aluminum Corp of China	5.45	-7.63
China Natl Sftw & Svc	14.27	10.02	Qibu Co Ltd	14.21	-6.14
Guizhou Gas Group Corp	28.34	10.02	Gemdale Corp	12.29	-3.98
IReader Technology Co	37.80	10.01	YangQuan Coal Industry	8.38	-3.57
ChongqingChuanjiAutmnt	10.33	10.01	Anhui Wanjiang Log	3.71	-3.13
Yonyou Network Tech	36.05	10.01	Xilinmen Furniture Co	16.56	-3.10
CIG Shanghai Co Ltd	42.21	10.01	Anhui Leimingkehua Co	15.42	-2.59
Guilin Fuda Co Ltd	7.92	10.00	JDMJingDaMachineNingbo	27.89	-2.55
Fujian Newland Comp	18.87	10.03	Northcom Group Co Ltd	26.16	-6.00
Netposa Technologies	16.47	10.02	Chengdu CORPRO Tech	13.70	-4.53
Unisplendour Corp Ltd	66.55	10.00	CEFC Anhui Intl	5.15	-4.45
Anhui Anke Biotech	25.53	10.00	Tahoe Group Co Ltd	30.03	-3.44
Dian Diagnostics Group	22.02	9.99	Yunnan Tin Co Ltd	14.82	-2.63
InspurEI Info Industry	20.59	9.99	Angang Steel Co Ltd	7.07	-2.48
GuangdongJANUSIntllgnt	8.29	9.95	RiseSun RealEstate Dev	10.71	-2.28
Hand Enterprise Sol	15.90	9.66	Yunnan Aluminium Co	8.48	-2.19
Fujian Star-net Comm	23.04	7.66	Luxi Chemical Group Co	22.50	-2.09
ShenzhenYUTOPackngTch	56.80	7.33	Yango Group Co Ltd	8.21	-2.03
Sino Land Co Ltd	14.40	4.05	Want Want China	6.46	-2.27
Tencent Holdings Ltd	447.00	3.42	Sands China Ltd	43.45	-1.59
HongKongExchangs&Clrng	291.60	2.68	AAC Technologies	153.50	-1.54
Link REIT	68.65	2.62	PetroChina Co Ltd	5.46	-1.27
Wharf Holdings Ltd	29.90	2.05	CNOOC Ltd	11.26	-1.23

Cross Currency Rates

	USD	EUR	CNY	HKD	GBP	KRW	BRL	RUB	JPY	INR	CAD
USD		1.220	0.158	0.128	1.376	0.001	0.308	0.018	0.009	0.015	0.779
EUR	0.820		0.129	0.105	1.129	0.001	0.252	0.015	0.008	0.013	0.639
CNY	6.347	7.741		0.811	8.739	0.006	1.955	0.112	0.059	0.097	4.945
HKD	7.827	9.546	1.233		10.773	0.007	2.411	0.138	0.073	0.120	6.098
GBP	0.726	0.886	0.115	0.093		0.001	0.224	0.013	0.007	0.011	0.566
KRW	1086.280	1324.590	171.012	138.768	1493.700		334.087	19.178	10.166	16.667	845.120
BRL	3.248	3.961	0.512	0.415	4.469	0.003		0.057	0.030	0.050	2.529
RUB	56.559	68.964	8.911	7.226	77.849	0.052	17.424		0.530	0.866	44.063
JPY	106.750	130.190	16.819	13.639	146.928	0.098	32.885	1.888		1.638	83.169
INR	65.175	79.494	10.268	8.326	89.699	0.060	20.075	1.152	0.611		50.774
CAD	1.284	1.565	0.202	0.164	1.767	0.001	0.395	0.023	0.012	0.020	

Data provided by Bloomberg

International Stock Markets

Index	Close	Daily % Chg	YTD % Chg
Hang Seng Index	31,044.25	0.6	-15%
HANG Seng China Ent Index	12,428.88	0.4	0%
TAIEX Taiwan Stock Index	10,785.79	-0.3	0%
Nikkei 225	21,724.47	-1.6	0%
Sensex	34,134.93	-0.1	0%
KOSPI	2,427.36	-1.2	0%
S&P/ASX 200	5,973.34	-0.7	0%
New Zealand 50 Gross Index	8,342.71	-0.4	0%
Straits Times Index STI	3,509.76	-0.2	0%
Bangkok SET Index	1,830.13	0.0	0%
Bursa Malaysia KLCI Index	1,860.14	0.2	0%
VN-Index	1,115.79	-0.5	0%
Dow Jones	25,029.20	-1.5	0%

Commodities

Commodity	Close	Daily % Chg	YTD % Chg
Brent Crude Oil (USD/bbl)	64.95	0.3	-20%
Gold (USD/t oz.)	1317.90	-0.1	0%
Silver (USD/t oz.)	16.41	-0.2	0%
Copper (USD/lb.)	3.13	-1.7	0%
Aluminum (USD/MT)	2129.50	-0.5	0%
Corn (USD/bu.)	3.82	0.7	0%
Wheat (USD/bu.)	4.95	3.8	0%
Soybeans (USD/bu.)	10.56	0.6	0%
Coffee (USD/lb.)	1.22	0.7	0%
Sugar #11 (USD/lb.)	0.13	0.6	0%
Palm Oil (MYR/MT)	2556.00	-0.1	0%

ETFs

Equity ETFs	Ticker	Close	Daily % Change
China 50	510050	2.88	0.45
China AMC CSI 300 Index	510330	4.37	0.62
China CSI 500	510500	6.41	1.38
China SME	159902	3.66	1.58
China Universal CSI Consumer Staples Index	159928	2.33	0.17
E Fund ChiNext Price Index	159915	1.69	2.18
E Fund CSI 300	510310	1.72	0.53
E Fund CSI 300 Financials ex Banks Index	512070	1.97	1.08
E Fund Hang Seng China Enterprises Index	510900	1.27	0.32
E FUND SZSE100 INDEX FUND	159901	4.99	1.01
Fortune SGAM Xianjin Tianyi Money Market	511990	100.01	0.00
Guangfa CSI 500	510510	1.69	1.01
Guotai Shanghai Stock Exchange 180 Financial Index	510230	6.37	0.28
Harvest CSI 300 Index	159919	4.41	0.68
Huatai-Pinebridge CSI 300	510300	4.05	0.72
Shanghai SSE180	510180	3.46	0.38
SSE Pledge Urban Investment Bond	511220	94.14	0.03
Yinhua Traded Money Market Fund	511880	100.83	0.01