



## STOCK EXCHANGE TOWER

*Up, up and up. Canadian exchanges have quickly discovered the benefits of forming partnerships with the rapidly growing economies and stock markets of Hong Kong and China.*

ing international exchange focusing on the listing of venture companies” and to act as a gateway for Asian firms to access North American markets.

Hudson met with Liu Hong Ru, chairman of the China Securities Regulatory Commission and the senior official responsible for developing China’s securities industry. Liu and Hudson, who was appointed an honorary advisor to the Shenzhen Securities Exchange, talked about a proposal by the VSE to create secondary listings of Chinese “B” shares in Vancouver. (“B” shares are listings in Shenzhen and Shanghai, and reserved exclusively for foreign investors.) Liu was enthusiastic about the VSE’s proposal and it is expected Shenzhen-listed China Southern Glass Co., Shenzhen Vanke and Jintian Industry will be the first mainland stocks to trade on the VSE.

Hudson said the VSE believes the inter-listing of “B” shares will provide immediate access for North American and European investors while offering China’s exchanges global exposure and an opportunity to enhance their profile in international financial centres.



*Raising capital on world markets*

Another important development in the VSE’s drive to attract investors from across the Pacific Ocean is the creation of a special Asian Board in mid-January. The new board will initially list companies controlled by investors in Hong Kong and other Asian countries with the eventual goal of inter-listing B shares.



*Moving money with the press of a button*

**T**he listing requirements will be much tougher than those used for normal VSE listings. Listing applicants, for example, must have an operating history, pre-tax profits and net tangible assets of at least C\$5 million, or net tangible assets of \$12 million without having net income.

Dickson Hall, who recently became the VSE’s representative in Hong Kong, said the Asian Board will provide investors with a highly-visible vehicle to gain exposure to Asian companies.

David Laundry, the VSE’s vice-president of public affairs, said the Asian board will focus on Asian stocks and sport more stringent listing requirements because the VSE sees the potential in developing a market for companies that

want access to international markets but do not have the asset history.

One of the VSE’s biggest supporters of Asian listings in Vancouver is John Hardymont, who purchased 51 per cent of Vancouver brokerage Brink Hudson & Lefever Ltd. with Asia Securities Inc., a major Taiwanese brokerage, last year. Hardymont believes Canadian exchanges can offer Asian firms a new pool of investors.

### Montreal offers training programmes

While the VSE has concentrated on inter-listing and trading systems, the Montreal Exchange (ME) has been working at offering training programmes to stock officials from Shenzhen and Shanghai.

Last November, three officials from the Shanghai Securities Exchange came to Montreal for three weeks and ME spokesman Geoffrey King said negotiations are now taking place with the Canadian government to expand the programme with China. A contract is expected to be signed early this year.

“We expect the training programme with China to get bigger,” he said. “People could come from Beijing, Shanghai and Shenzhen,” he said, adding officials from the ME went to China in 1992.

The exchange’s international training programme started in 1989 after Premier Robert Bourassa visited Eastern Europe and met with people from the Budapest Stock Exchange. Since that time, the six top traders from Budapest have come to Montreal to spend three weeks on the