

Legal Update

Listing of BVI Companies on Hong Kong Stock Exchange

The Stock Exchange of Hong Kong Limited (“HKSE”) announced that, as of 15 December 2009, it will allow companies incorporated in the British Virgin Islands (“BVI”) to list on the HKSE. The move follows the BVI signing a Tax Information Exchange Agreement with China on 7 December 2009.

This development is particularly advantageous for private equity investors with operations and investments in China, but where the operating companies are registered in BVI.

The move has been welcomed by the BVI Financial Services Commission with the Managing Director and Chief Executive Officer, Mr Robert Mathavious commenting: "This is long something that the BVI authorities and industry practitioners have hoped would be possible. It emphasises the quality of BVI companies and extends their values to users."

The BVI has an excellent track record for being the jurisdiction of choice for Chinese investors, both for use of BVI Business Companies as vehicles for outbound investment, and for investment within China.

According to the US-China Business Council, the BVI is consistently the second largest source of Non-Financial Foreign

Direct Investment in China after Hong Kong, with approximately \$16 billion invested in both 2007 and 2008.

In addition to Hong Kong, BVI companies are also able to list in several major exchanges worldwide, including NASDAQ and NYSE in the United States, AIM in London and SGX in Singapore.

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If you would like to receive further information, or more detailed guides on a range of BVI legal topics, please do not hesitate to contact José Santos at jose.santos@forbeshare.com or your usual contact at the firm.

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