

# INFORMED

THE VOICE OF INVESTOR RELATIONS IN THE UK

ISSUE 92 AUTUMN 2016

## CAREERS AND PROFESSIONAL DEVELOPMENT

A special feature on: the new Diploma in IR, the IR job market, IROs' personal stories, online learning, courses and many other ways to get ahead



PLUS

The state of IR in South Africa

Update on Best Practice Awards

Researching narrative reporting

Introducing best practice IR to Japan

Brexit: new world, new demands

# Opportunities to build IR in the gateway to China

Hong Kong is the world's hot-spot for IPO listings – however IR is still a young profession, as **Eva Chan** explains.

**H**ong Kong is the world's equity funding leader. In 2015, a total of US\$33.6 billion equity funds was raised through IPOs in Hong Kong, topped as the world's largest IPO centre. Hong Kong's capital market and investment businesses are highly internationalised. The city attracts a great pool of global enterprises with its profound financial infrastructure and effective regulatory regime that meet worldwide financial expectations.

The fast-paced Hong Kong is renowned as business-friendly with its simple and low taxation, and well-developed legal system. Hong Kong is the important gateway for Chinese mainland enterprises going global, and for foreign firms entering the mainland market. Many overseas and institutional investors as



*Dr. Eva Chan is chairman of the HKIRA, and head of IR at CC Land Holdings Limited (SEHK: 1224).  
evachan@hkira.com*

well as those from China set up companies in Hong Kong whilst the metropolis is the global hub for renminbi trade settlement.

In terms of investor relations, it might be tremendously challenging to manage with such a sophisticated pool of investors, who each have a different trading strategy and investment scope. Yet, leveraging on the strengths and networks the local market is given, a well-executed IR programme can bring more than capital and shareholders from the diversified background.

Many Chinese and local enterprises see the trend in recent decades and recognise the efficacy of investor relations. They are fast learners from the achievement of IR demonstrated by peers across the world.

## A growing role

Despite the mature and open market of Hong Kong in Asia and worldwide, IR here is still a young industry. Unlike the developed IR industry in the UK market, there are still a number of companies listed in Hong Kong who do not have their own IR team. It is very common that the chief financial officer, company secretary or financial PR executive of listed companies overlooks or even undertakes the business's IR activities. Some others hire a consultancy to handle the job. It is encouraging to note that the Hong Kong Investor Relations Association has been recording a continuous growth of IR specialist members since 2011, and we anticipate a more progressive expansion.

To some extent, we are still seeing IR activities in Hong Kong being comparatively passive. Although voluntary disclosures are recommended, some listed companies are still taking the approach of just complying with the Hong Kong Stock Exchange Listing Rules and sharing minimal investor information. A few make their IR contacts

*letter from*  
Hong Kong



## THE GROWTH OF IR

- Hong Kong leads the world in equity funding and is seen as a gateway for mainland Chinese firms going global – and foreign firms entering the mainland market.
- Many companies do not have dedicated IR people – though this is slowly starting to change.

‘ In terms of IR, it might be tremendously challenging to manage with such a sophisticated pool of investors, who each have a different trading strategy and investment scope ’

public online, while many simply offer a general hotline.

Beyond the thirst for IR specialists, regardless of whether they are in-house or from service providers, HKIRA sees the importance of promoting best practices and is devoted to advocating international standards. Looking ahead, the evolution of the Chinese IR industry into a profession is promising in the medium term. ■