

Lim Hng Kiang: Singapore Exchange Beijing Representative Office

Opening speech by Mr Lim Hng Kiang, Deputy Chairman of the Monetary Authority of Singapore and Minister for Trade and Industry, at the Launch Ceremony of the Singapore Exchange Beijing Representative Office, Beijing, 21 April 2008.

* * *

Ladies and Gentlemen,

Congratulatory remarks

I am delighted to be here with you this evening to commemorate the opening of the Singapore Exchange Beijing Representative Office. First, I would like to take this opportunity to express my appreciation to the Chinese Government and the Chinese Securities Regulatory Commission for the generous support of the Singapore Exchange's efforts in China.

Establishment of the Singapore Exchange Beijing representative office

The setting up of the Singapore Exchange's first overseas representative office in Beijing underscores the exchange's commitment to China. This representative office will further strengthen existing links between our two business and finance communities under the broader China-Singapore partnership framework.

Chinese listings on the Singapore Exchange

The Singapore Exchange started serving the fund-raising needs of Chinese companies since 1997, and it has seen strong interest in the recent years. Encouraged by the Chinese government's "go out" policy and also boosted by the economic strength of the Chinese economy, Chinese companies have increasingly taken significant steps to regionalise and internationalise their businesses.

Many Chinese companies have chosen Singapore as a springboard into the region and the Singapore Exchange as a fund-raising platform. Besides accessing global capital, a listing on the Singapore Exchange also helps the companies create overseas brand awareness and broaden shareholder base. It is an effective enabler in assisting the Chinese companies to pursue their international business strategies.

Today, there are 143 Chinese companies listed on the Singapore Exchange. These Chinese listings cover a wide range of industries, including manufacturing, services, real estate, transportation, pharmaceutical and many other rapidly growing industry sectors.

Particularly, some Chinese companies have chosen to leverage on Singapore's competitive advantages in certain sectors including real estate and shipping. In the real estate sector, Singapore has attracted Yanlord Land Group, a leading developer of high-end residential properties in China, and CapitaRetail China Trust, the world's largest China REIT, to list in our equity market. Yangzijiang Shipbuilding and Cosco Corporation, China's largest shipbuilders, have also chosen Singapore as their international listing destination.

Regional growth

I expect Chinese companies' regionalisation efforts to continue, notwithstanding the recent market volatility. The recent subprime crisis in the United States has dented investors'

confidence but it is important to take a longer term view. The medium and long-term fundamentals of Asian economies are strong, driven in no small part by China's economic engine. I believe we will continue to see strong intra-regional trading volumes and wealth creation. As the Asian economies grow, opportunities will arise in the capital markets for financing Chinese companies' regionalisation, if not, globalisation efforts.

Singapore's value proposition to Chinese companies

I believe the Singapore Exchange will be committed to maintain a robust market-oriented framework, which facilitates organisations that would like access to global capital for their business expansion plans. To date, the Singapore Exchange is one of the most international equity markets globally, boosting 38% of international listings originated from a myriad of places such as the ASEAN nations, Hong Kong, India, Japan, South Korea, North America, Europe, and of course, China.

Singapore welcomes Chinese companies to use Singapore as a second home, to pursue regional business opportunities, to build international connections, as well as a test-bed for new, innovative ideas. At a point where East meets West, Singapore today is home to 26,000 international companies. Of these, approximately 4,200 MNCs have regional activities in Singapore to leverage on the Singapore connectivity to service their clients from within the region.

An increasing number of financial institutions are also using Singapore as a regional hub to conduct their investment, fund management and private wealth management activities. Singapore's asset management industry has boomed and flourished, with assets under management surpassing S\$900 billion.

Closing

The establishment of the Singapore Exchange's presence in Beijing could not be more relevant, with the Chinese market growing at a strong pace, and as Chinese companies and markets become increasingly linked to the global community. The strong economic growth in China, Singapore, as well as the ASEAN region, gives us a window of opportunity to deepen and enhance market integration, strengthening Asia's competitive edge.

The Singapore Exchange Beijing representative office will, I am sure, play an important supporting role in bridging both China and Singapore's equity capital markets, and servicing the current and future listed Chinese companies. It also demonstrates Singapore's long-term commitment to China, and I believe both markets will stand to gain in the long run.

As a Chinese saying goes, Spring is the season we sow the seeds in the fields. As the Singapore Exchange sows its promising seeds in China, I very much hope that both Singapore and the Chinese companies who choose Singapore as their financing location will enjoy the harvest of good fortune in time to come.

With that, I would like to extend my heartiest congratulations once again to the Singapore Exchange for its representative office opening in Beijing. I encourage the exchange to play its role well in serving the specific needs of the Chinese companies with the ambition to grow regionally and in doing so, contribute to the strengthening partnership between the China and Singapore.

Have a great evening, thank you.