

CAYMAN LISTED COMPANIES



Simon Raftopoulos
Partner, Corporate
Cayman

Cayman is a leading offshore financial centre, and has earned a reputation as a world class centre of commerce, supported by its large banking sector and high concentration of top quality service providers.

It is a noted offshore jurisdiction for investment funds, structured finance and private equity transactions and is the second largest captive domicile in the world with more than 700 captives. The jurisdiction is also recognised in providing trusts, company and partnership formation and vessel and aircraft registry services.

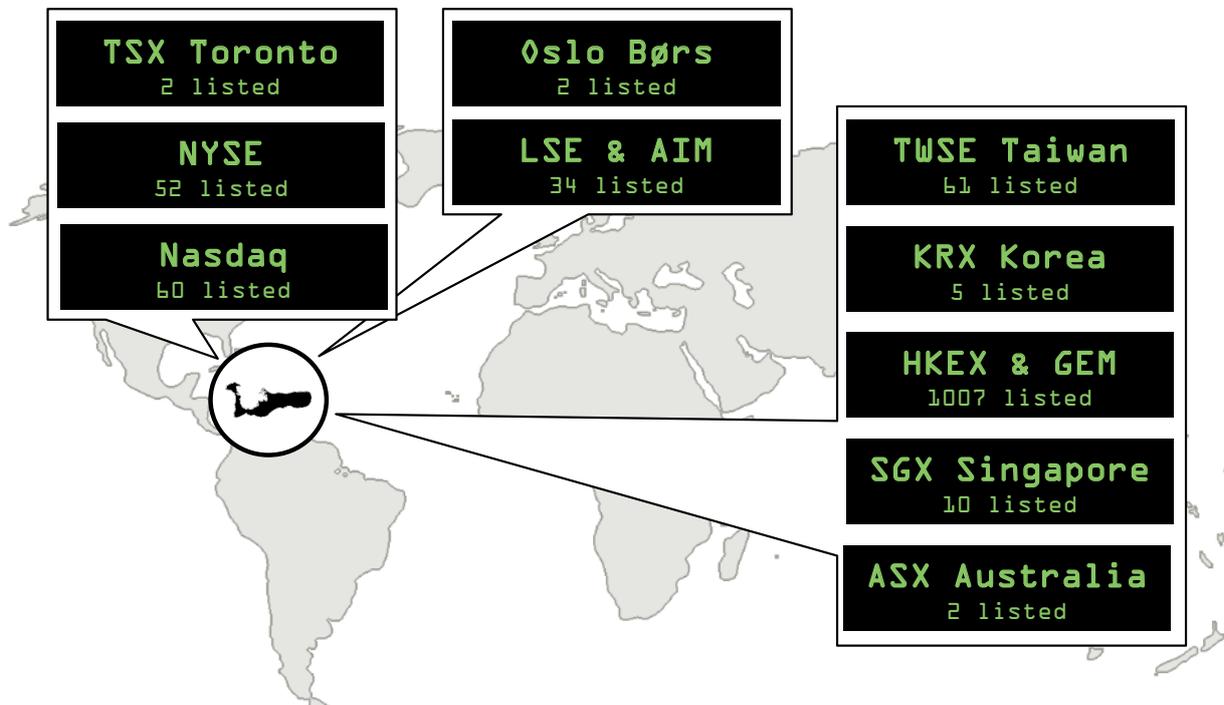
In addition, Cayman-incorporated companies are listed on major stock exchanges around the world including the Hong Kong Stock Exchange, London Stock Exchange, NYSE, NASDAQ, and Singapore Exchange. There is also a lot of exciting new growth in other locations, such as the Taiwan Stock Exchange.

Closer to home, Cayman also operates its own highly successful stock exchange and continues to evolve its business offering, most recently by introducing limited liability companies as a structuring option.

We trust that you find our analysis over the following pages useful but please don't hesitate to get in touch with your usual Appleby contact should you wish to discuss anything in more detail.

Cayman
June 2017

CAYMAN COMPANIES LISTED ON INTERNATIONAL EXCHANGES



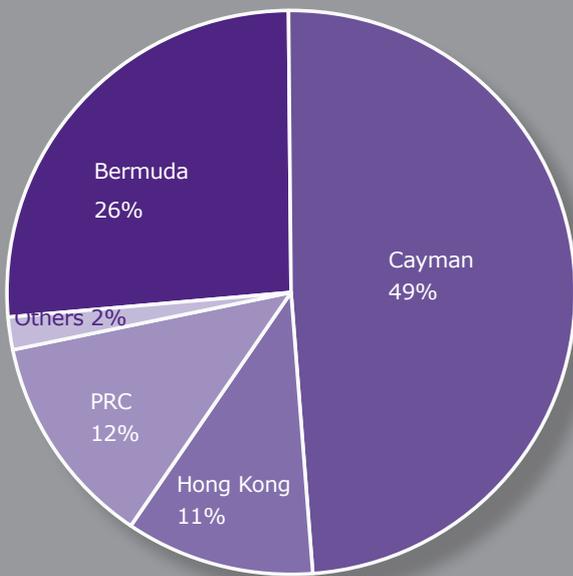
1,235 TOTAL NUMBER OF INTERNATIONALLY LISTED CAYMAN COMPANIES

HONG KONG STOCK EXCHANGE

The Hong Kong Stock Exchange (HKSE) benefits from its geographical proximity to mainland China, its relatively less stringent corporate governance requirements and its close trading and business links to other Asian economies. For Chinese companies, Hong Kong's appeal is that it's closer, cheaper and culturally easier to deal with.

Cayman is one of a handful of recognised jurisdictions accepted for listing on the HKSE. The Cayman Islands shareholder protection regime is considered comparable to Hong Kong's, which in practice means that companies incorporated there do not have to go through a long, expensive process to establish the "acceptability" of their jurisdiction prior to listing.

HKSE COMPANIES BY INCORPORATION PLACE



Cayman companies have been listed on HKSE since the 1990s and there are currently over 1,000 listed on it today. This means that almost half of all the listed companies on the exchange are incorporated in Cayman, more than Hong Kong and China combined.

The characteristics of the Cayman Islands help explain the popularity of Cayman companies as vehicles for listing purposes. Cayman has a tax neutral environment and flexible regulations for overseas companies to incorporate there, and is simpler and more cost efficient to carry out restructuring as a Cayman incorporated company than those in Hong Kong. In addition, the Cayman Islands Companies Law is flexible enough to permit the adoption of articles of association that comply with the Hong Kong Stock Exchange requirements. Cayman's developed and familiar body of laws and reputable professional advisors continue to sustain its reputation, providing comfort to investors in such companies.

SECTOR TRENDS

International listed companies are spread across a variety of sectors:

Manufacturing has the largest representation, covering a wide range of products, from computers to toys.

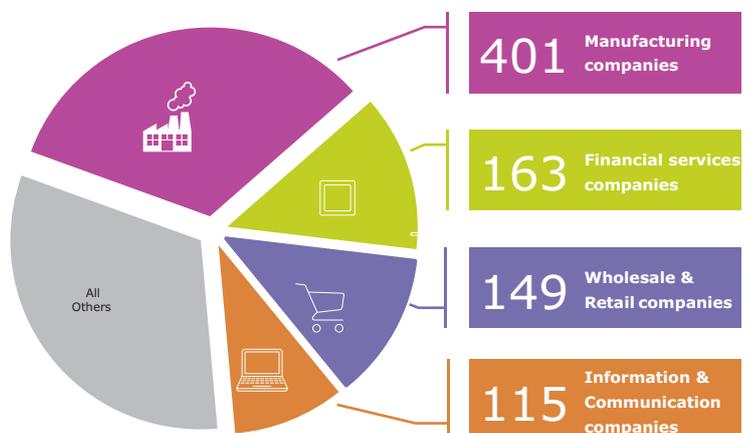
Financial services are a mainstay of the offshore region, and the sector has a strong showing.

Trading companies, at both wholesale and retail level, have also found Cayman to be a good fit.

Information & Communication covers companies involved in the fast-developing worlds of technology and telecommunications, aimed at enabling users to access, store, transmit, and manipulate information.

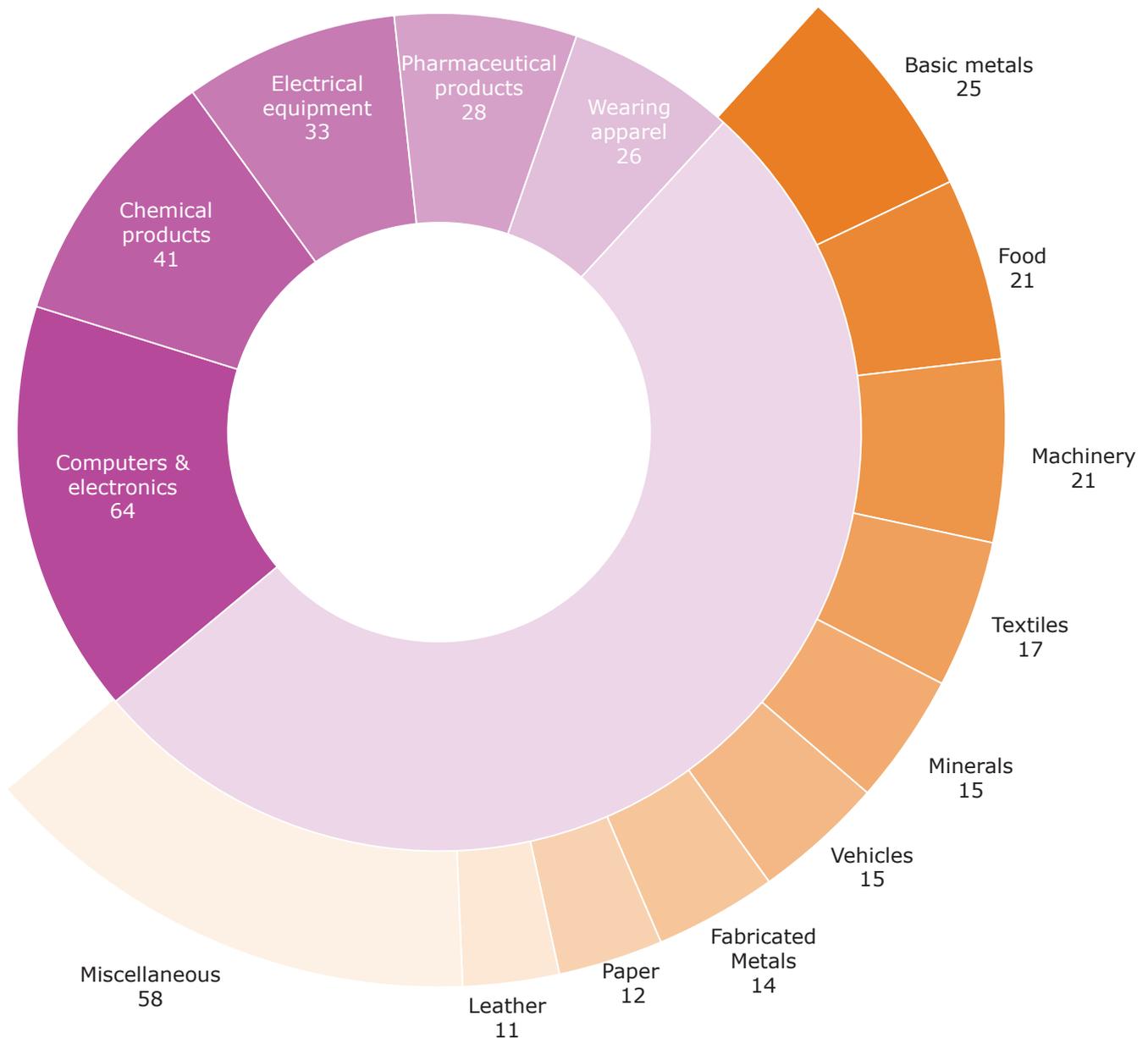
Underneath these headline sectors, there are a wide array of other companies involved in such diverse areas as Real Estate, Construction, Health Care, Mining and Hospitality.

TOP SECTORS FOR CAYMAN LISTED COMPANIES



FOCUS ON: MANUFACTURING

Of the 1,200+ publically listed Cayman companies, manufacturing is the standout sector, with over 400 companies identifying themselves in this way. This broad base covers a huge array of companies, of which computer and electronics producers make up the largest subsector with 64 companies, followed by chemical production and other electrical equipment.



The manufacture of computer and electronic equipment is a huge industry, which has seen enormous development in Asia in recent years in line with the rapid growth of the Chinese economy.

An example of one such company is Yingli Green Energy Holding Company. Incorporated in Cayman in 2007, headquartered in China and listed on the NYSE, Yingli is one of the world's leading solar panel manufacturers.

With almost 800 Cayman firms listed on the Hong Kong main index alone, it is unsurprising to see that over 300 of them are associated with manufacturing.

CAYMAN ISLANDS STOCK EXCHANGE

Besides providing a suitable location for the incorporation of companies, the Cayman Islands has also developed its own stock exchange, capitalising on its strengths in the investment funds and the sophisticated structured finance sectors. The Cayman Islands Stock Exchange (CSX) functions as a specialist exchange for listing specialist debt, offshore funds, depositary receipts and Eurobonds. It also provides a secondary listing and trading facility for companies listed and trading on another recognised exchange.

The CSX has grown steadily since its inception in 1997, and currently has listed more than 4,000 securities and maintains a market capitalisation of more than US\$190 billion. The world's leading financial institutions have listed their products on the CSX, including Goldman Sachs, JP Morgan Chase, Morgan Stanley, Credit Suisse, Deutsche Bank and BNP Paribas, to name a few.

The CSX has been granted approved organisation status by the London Stock Exchange (LSE). This means that securities listed on the CSX are eligible for trading in the LSE's international equity markets and for quotation on the Stock Exchange Automatic Quotation (SEAIQ) International trading system.

The CSX continues to innovate; just recently it amended its Listing Rules enabling the Listing of "Specialist Companies", specifically pre-IPO and early stage growth companies issuing debt or equity securities.

Appleby's experienced investment funds team provides a highly responsive, competitively priced service and we can arrange for the listing of offshore funds, equity securities, specialist debt securities, depositary receipts and Eurobonds.

CSX TIMELINE



LIMITED LIABILITY COMPANIES

Cayman Islands' Limited Liability Companies Law, 2016, comes into force

The Limited Liability Companies Law, 2016 (Law) came into force on 8 July 2016, making the Cayman Islands limited liability company (LLC) available for the first time in the jurisdiction.

The introduction of the LLC responds to requests made by the US financial services industry for such a vehicle. As a result, the Law reflects many key features of Delaware's Limited Liability Company Act and those familiar with that Act will recognise features with certain modifications to conform with Cayman Islands law and concepts.

What is an LLC?

Essentially, the LLC is a hybrid entity, merging certain characteristics of a Cayman Islands exempted company with those of a Cayman Islands exempted limited partnership.

Within the parameters of the Law and other Cayman Islands laws applicable to LLCs, members of an LLC are free to agree on regulations governing management of the LLC, contributions by members and distributions and conduct between themselves pursuant to an LLC agreement. Express provisions of the Law create priority in respect of security interests granted by members in respect of their LLC interests. Members owe no duty (fiduciary or otherwise) to the LLC or its members (except if a member also acts as a manager of the LLC, in which case the Law imposes a duty of good faith in exercising the rights and authorities and obligations of a manager, subject to any higher duty that may be imposed under the LLC agreement).

Uses of an LLC

The LLC provides a significant alternative structuring option to complement the existing choice of vehicles in the Cayman Islands. We believe our clients will embrace the LLC as the suitable form of business vehicle in certain circumstances; it can be useful in a variety of areas including the structuring of investment funds (especially where the structure already includes one or more limited liability companies registered elsewhere), general corporate transactions requiring joint venture or special purpose vehicles and venture capital, private wealth and private equity structures.

It should be noted that the Law automatically incorporates the LLC into certain existing legislation to allow for its use as a mutual fund, general partner of an exempted limited partnership and as an investment manager or advisor.

Appleby is already advising on continuations of foreign entities into the Cayman Islands as LLCs and the content of proposed LLC agreements.

The Law is the natural outcome of the Cayman Islands paying attention and responding to the input and needs of global industry and its participants and further consolidates the Cayman Islands' position as a leading offshore jurisdiction.

APPLEBY EXPERIENCE

Appleby has assisted Cayman listed companies across North America, the UK and Asia, from Toronto to Taiwan.

We have acted for over a quarter of all the Cayman firms listed on the London Stock Exchange AIM market as well as the HK Growth Enterprise Market (GEM), and the Hong Kong Main Exchange (HKEX).

The Hong Kong GEM and Main markets have the largest concentration of listed Cayman companies, and earlier this year passed the 1,000 threshold. Appleby has advised over 250 of these companies. Appleby is the only offshore law firm to cover all of the offshore jurisdictions approved by the HKSE (Bermuda, Cayman Islands, BVI, Jersey, Isle of Man, and Guernsey).

Together with our wealth of experience in corporate finance, multi-lingual team, and long-standing presence in Asia, we are well positioned to offer all our clients outstanding offshore guidance for their needs.

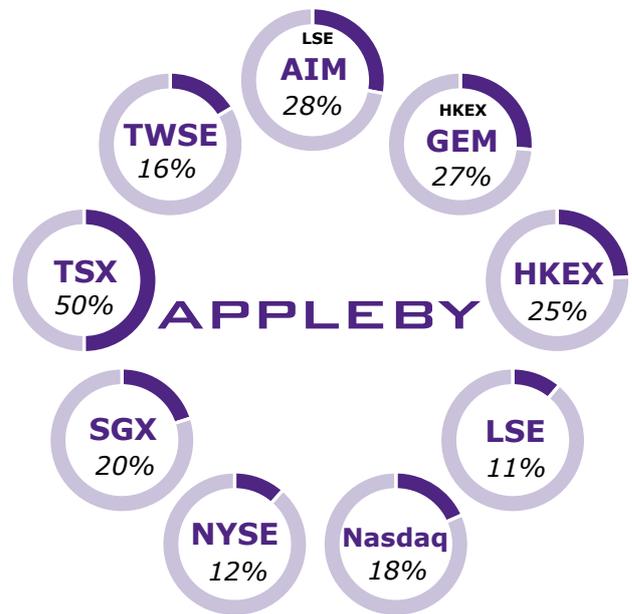
Recent Appleby activity for Cayman listed companies

Appleby acted as the Cayman Islands legal counsel to a Chinese specialty environmental protection service provider, **China Everbright Greentech Limited**, in its listing on the HKEX in May 2017, which raised approximately HK\$3 billion in net proceeds. The proceeds received are expected to be used for developing business in China through capital contribution to pipeline projects, for the development and construction of the facilities and for the research and development and acquisition of advanced technologies.

Appleby achieved an annual record advising on 35 listings in Hong Kong in 2016, representing an aggregate amount of more than HK\$13.65 billion. Appleby acted as counsel in these listings on both the Main Board and the GEM of the Hong Kong Stock Exchange.

Notable Cayman-company listings in 2016 that Appleby advised on include:

- **Yadea Group Holdings Limited's** HK\$1.49 billion listing on the Main Board. Yadea, is an electric scooter and bicycle manufacturer. The Group will use a majority of the proceeds from the placement and public offering to further its brand recognition, enabling them to command a premium price for their products.



% LISTED OF CAYMAN COMPANIES THAT APPLEBY HAS WORKED WITH

- **Get Nice Financial Group Limited's** HK\$711 million listing on the Main Board. Get Nice is principally engaged in the provision of brokerage services, securities margin financing, and corporate finance advisory services. The Group will use parts of the proceeds from its public offering to expand its securities margin financing services and underwriting business.
- **Hailan Holdings Limited's** HK\$343.5 million listing on the Main Board. Hailan is a property developer primarily focused on residential development in the Hainan Province of the PRC. The company will use the majority of proceeds from its offering for financing the development of Sanya Phoenix Aqua City South Shore Phase II.
- **China Rongzhong Financial Holdings Company Limited** listing on the Main Board, with gross proceeds of approximately HK\$211 million. China Rongzhong is a leading finance leasing company in Hubei, China focused on the financing needs of small and medium-sized enterprises.

Appleby's offshore expertise also allows it to provide advice relating to multiple offshore jurisdictions. In a recent example, Appleby acted as BVI and Cayman counsels on **TEM Holdings Limited** (TEM) listing on the GEM with gross proceeds of approximately HK\$75 million. TEM, which has operations in Malaysia and China, is a manufacturer and a supplier of wire and cable harnesses and power supply cords assembled products.

LOOKING FOR OFFSHORE IPO ADVICE?

The Corporate group at Appleby is among the largest and most widely recognised in the offshore world. Our multi-disciplinary teams advise a large number of FTSE 100 and Fortune 500 companies on all aspects of corporate law, focusing on mergers and acquisitions, listings, corporate restructurings, joint ventures, capital markets and investment funds.

Our lawyers are part of a truly international practice operating from our offices in Bermuda, the British Virgin Islands, the Cayman Islands, Guernsey, Hong Kong, Isle of Man, Jersey, Mauritius, the Seychelles and Shanghai. Our network enables us to service our clients all over the world, including the key developing regions and, in particular, the BRIC economies.

ABOUT APPLEBY

Appleby is one of the world's largest providers of offshore legal advice and services. We have approximately 470 people, including 60 partners, operating from 10 offices around the globe.

We advise global public and private companies, financial institutions, and high net worth individuals, working with them and their advisers to achieve practical solutions, whether in a single location or across multiple jurisdictions.

For further information contact:

Simon Raftopoulos

Partner

sraftopoulos@applebyglobal.com

RESEARCH METHODOLOGY

This report details companies either headquartered in Cayman or with a Cayman address that are listed on an international stock exchange, as of Q1 2017. Company details have been sourced directly from the relevant exchanges and sector information has been standardised by using the NACE Rev.2 Statistical Classification of Economic Activities.