PAG cornerstone investor in Haitong Securities IPO

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One of Asia's biggest private equity firms, PAG, and DE Shaw, the behemoth quantitative US hedge fund, are the leading cornerstone investors for the USD1.8billion Hong Kong listing of Haitong Securities reported the *Financial Times* this week citing people familiar with the process. Haitong Securities was looking to come to market last year but pulled the plug in response to the unraveling eurozone debt crisis in the second half of the year as global market sentiment nosedived. It is believed that roughly one-third of the deal – USD600million – for the Chinese brokerage business will be presold to around 11 investors. Hong Kong's IPO market has been inert this year, the only noticeable deal so far being the USD575million listing of Sunshine Oilsands. Apparently, PAG will subscribe to about USD300million reported the *Financial Times*, although the commitment from DE Shaw is unknown. Eight other cornerstone investors including Dah Sing Bank in Hong Kong will make up the rest of the near USD600million. Haitong is the second Chinese brokerage to seek a Hong Kong listing; Citic Securities had a USD1.7billion IPO in October. If it goes through, the Haitong IPO will be the biggest this year. Japan's SBI Holdings Inc is another cornerstone investor, a full list of whom will be published on Tuesday. Haitong is expected to price the deal on Friday, 20 April and commence trading 27 April.

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