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HONG KONG

## Dealmaker Spotlight: Latham & Watkins' Cathy Yeung

What do a Fujian-based Chinese car window maker and a Guangzhou-based brokerage house have in common?

They both turned to Latham & Watkins Hong Kong partner Cathy Yeung for their initial public offerings in Hong Kong.

In April, Yeung advised GF Securities Co. Ltd., China's fourth-largest brokerage, on a \$3.6 billion offering, the biggest IPO so far this year in Asia. In March, she acted for car window manufacturer Fuyao Glass Industry Group Co. Ltd. on a \$953 million Hong Kong listing. Together, she has done the largest two IPOs so far this year in Hong Kong.

Both GF Securities and Fuyao Glass are new clients. "We didn't know them before. Had no relationship," she says. Fuyao Glass was introduced to her by a mutual investment banker contact. The Citic Securities Co. Ltd. \$1.7 billion IPO she advised in October 2011 helped her win the GF deal, she says. Still, she met some serious



CATHY YEUNG

competition pitching for the deal and GF first picked another firm. "But then, they changed their mind," Yeung says. "They decided they like my experience and track record better."

Yeung has been advising on Chinese IPOs in Hong Kong for 15 years. Before joining Latham in 2009, she worked at Allen & Overy for 11 years, and had been a partner there since 2007. During that time, she had worked on IPOs for some of the biggest state-owned enterprises, including China

Life Insurance Co. Ltd.'s \$3.6 billion IPO in 2003 and Bank of China's \$9.7 billion IPO in 2006.

Yeung says that many of her longtime client relationships were built from the IPOs. "China Life, Bank of China, these are all my IPO clients, they have now been with me for more than a decade," she says. She still handles post-listing compliance and general corporate matters for these companies.

Her relationships with GF and Fuyao Glass seem to be following the same pattern, she says. Immediately after both IPOs, she was retained as counsel to handle GF and Fuyao's post-listing matters.

Yeung was also one of the lead partners advising on the underwriters' side on this year's third largest Hong Kong IPO, a \$750 million listing by the city's second-largest broadband internet provider, HKBN Ltd., a Latham client. The relationship started in 2012 when the firm advised local broadcast operator Hong Kong Television Network Ltd. on the \$628 sale of HKBN to CVC Capital Partners. In 2013, Latham also acted for HKBN on a \$450 million bond offer.

In addition to IPOs, Yeung also represented Hong Kong-listed China Galaxy Securities Co. Ltd., a longtime client, on a \$3.1 billion share sale last month. Two years ago, she pitched for the Chinese brokerage's \$1.1 billion IPO, but that deal went to Davis Polk & Wardwell. Yeung turned things around after the IPO, winning the post-listing retainer after defeating multiple competitors.

Yeung acknowledges the fierce competition in Hong Kong's IPO market. Hong Kong listings are something that virtually every commercial law

firm in town is chasing after. "If you talk about track record and reputation, all the top firms have similar ones," says Yeung.

Sometimes luck matters, but more important is what she calls the "people chemistry." "At the pitch, we all have the formal presentation and people will judge you and your team on everything," she says. "Sometimes it's just the client likes you better than the others."

Perhaps it's her Chinese background that makes Chinese clients like her. Born and raised in the mainland, she first studied law at Guangzhou's Zhongshan University. After receiving an LLB, she pursued an LLM at Renmin University, one of the top five law schools in the country. She came to Hong Kong in 1991, and was one of the first Chinese lawyers qualified in Hong Kong. She joined Allen & Overy in 1995 but left after two years for an in-house counsel position at tycoon Li Ka-shing's Hutchison Whampoa Ltd. She returned to the Magic Circle firm in 2001.

Even so, guiding Chinese clients through a Hong Kong IPO can be a challenge. "They have their own way of doing things," Yeung says, adding that her role is to bridge the gap between the client and the Hong Kong listing system. "The Hong Kong system is different than China's. You have to guild them, clearly, and let them know what they should do."

"It's not easy. But I've been managing this kind of clients for years. I know how to do that," Yeung says.

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