

Reuters

Ant Group delivers timely boost to Hong Kong listing market

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By **Scott Murdoch**

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Ant Group's planned sale of up to \$30 billion worth of shares is set to revive fortunes for Hong Kong Exchanges and Clearing Ltd (HKEX) which fell to fifth rank as a destination for initial public offerings (IPOs) in the first half of 2020.

China's dominant mobile payments firm and fintech arm of Alibaba Group Holding Ltd on Tuesday filed for a dual-listing in Hong Kong and on Shanghai's STAR Market in what could be the world's largest IPO.

The IPO comes as Beijing's imposition of a security law in Hong Kong and Washington's consequent termination of some agreements with the territory has triggered questions about Hong Kong's future as a financial hub.

Hong Kong was the world's top listing venue in 2019, due to Alibaba's \$12.9 billion secondary listing there, but ranked third for IPOs, Refinitiv data showed. It was top for IPOs in 2018.

For IPOs in the first half 2020, Hong Kong fell to fifth behind the Nasdaq, New York Stock Exchange, the year-old STAR Market and the broader Shanghai Stock Exchange.

Few large-sized IPOs are in the pipeline for rest of the year at Hong Kong's rival bourses.

Ant has not disclosed how much it expects to raise in each of its Hong Kong and

Shanghai offerings.

“Hong Kong provides access to international institutional investors and convertible currency, whereas Shanghai may allow broad participation by domestic investors,” said Drew Bernstein, co-chairman of advisory Marcum Bernstein & Pinchuk.

“The Hong Kong market is changing and internet giants are increasingly replacing property companies and financial institutions,” said capital markets consultant Philippe Espinasse.

HKEX declined to comment on Ant’s listing. When Ant announced its plans on July 20, HKEX Chief Executive Charles Li said the deal would affirm Hong Kong “as the world’s leading international IPO market”.