

# BBC World News

## Ant Group's Stalled Mega Listing

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Q: Samira Hussein here. Well, today should have seen the biggest stock market debut in history as Jack Ma's Ant Group was set to sell around \$35bn worth of shares in Shanghai and Hong Kong. But at the 11th hour, Chinese authorities halted the listing, citing what they're calling, "major issues". Pretty much everything about it is major, though, with Alipay having some 1.3 billion users, mostly in China. And to give you a sense of just how big Alipay is, the app handled, check it out, 17.6 trillion dollars in payments in the year to June. It's not just digital payments. Ant also does wealth management, lending, credit scoring and insurance.

I spoke to Drew Bernstein, whose company, [MBP], has been offering accounting services to Chinese companies for almost 40 years. He told me why the IPO was postponed.

A: This deal was not only cleared for takeoff; the wheels were literally off the ground. But by the same token, this is very pervasive. This company has very pervasive business practices in the sense that they touch on every industry. It is difficult to understand whether it is a tech company or a bank or an insurance company. At MBP, our employees use this for everything. Insurance, credit card payments - everything just at the tap of their smartphone.

Q: Yeah, Drew just on that topic. Jack Ma says that and is a tech company, not a financial services company. Is that how Chinese regulators see it?

A: Well, I think really what happened here was that the company was not able to check all the boxes in terms of requirements. This is a really, really big deal. But I do not think that China will put their financial systems at risk for one deal. This would have been one of the largest deals ever. It is important to get it right.

Q: What's it going to take for Ant to list again? Is that a possibility? How far away are we from that?

A: It will take a little bit of time. I believe it will happen due to investor interest. The deal was 284 times oversubscribed - that means there was almost 3 trillion dollars worth of interest in this company. So I believe it is likely to go through, but it is going to take some time. Reports indicate that the company will need to restructure somewhat. This could possibly include committing more capital to the loan division and applying for some more licenses before coming back to the market. But obviously, there is an enormous amount of interest. Everybody - all the investors seem to want a piece of this company. Like all deals, investors and regulators look for clarity regarding the company's business model.