Alibaba shares leap after Ant Group IPO filing

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Alibaba's Ant Group, which is planning a Hong Kong and Shanghai listing, operates Alipay, one of China's two dominant online payment systems

Shares in Chinese e-commerce giant Alibaba jumped to a new record Wednesday morning, a day after the group's financial arm filed

paperwork for a joint Shanghai and Hong Kong listing.

The IPO for Ant Group, the financial technology arm of Alibaba, is being billed as one of the world's largest listings, potentially eclipsing the record $29 billion raised by Saudi Aramco last year.

The company filed paperwork on Tuesday evening for a joint listing closer to home as tensions spiral between the United States and China.

It did not detail a timetable for its public offering or how much money it hopes to raise. But the filing has already created a buzz.

As the market closed for lunch, Alibaba's Hong Kong shares were up 3.57 percent at HK$278.8.

Alibaba, which is listed in both Hong Kong and New York, is China's largest e-commerce conglomerate and is owned by billionaire Jack Ma.

Ant Group is a behemoth in the Chinese e-payments market, operating Alipay, one of the two dominant online payment systems in China, a country where cash, cheques and credit cards have long been eclipsed by e-payment devices and apps.

Bloomberg News, citing people familiar with the listing, say Ant group is targeting a valuation of about $225 billion, with a $30 billion IPO if markets are favourable.

In its filing Ant said it will use the proceeds to expand cross-border payments and enhance its research-and-development capabilities.

The decision not to list in New York is a major loss for US markets but it comes as Washington ramps up scrutiny of Chinese companies, especially tech firms.

"The greater concern is that if the US passes a sanction of some sort, the other markets in India, Southeast Asia where Ant is looking for growth could be affected," Mark Tanner, managing director of Shanghai-based consultant China Skinny said.

Video app TikTok is currently suing the US government after Donald Trump signed an executive order giving Americans 45 days to stop doing business with its Chinese-owned company ByteDance.

Trump accuses TikTok of being a national security risk.

China has accused Trump of modern day piracy and of using his executive order to effectively force the sale of TikTok to a US company.

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