# Alibaba fintech arm eyes record IPO with Hong Kong-Shanghai listing

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The financial arm of Chinese e-commerce titan Alibaba is planning the biggest IPO in history, raising as much as $35 billion in a joint listing in Hong Kong and Shanghai, a report said Thursday.

And in a sign of Ant Group's confidence in the share sale, it will not seek cornerstone investors—large institutions that agree to hold the stock for an extended time to provide confidence and stability in new listings.

The company is looking to raise the cash—which would be far higher than the $29 billion chalked up by Saudi Aramco in December—in a split float between the two Chinese cities, said Bloomberg News, citing unnamed sources. The plan values Ant Group at about $250 billion, it added.

The company runs Alipay, one of the two dominant online payment systems in China, where cash, cheques and credit cards have long been eclipsed by e-payment devices and apps.

After getting approval from the Shanghai Stock Exchange for a listing last week, the Hangzhou-based firm is now seeking to have a listing hearing with Hong Kong stock exchange as early as next week, with an eye on a debut in October.

With huge funding demand driven by the mega IPO seeing vast amounts of cash shift into the city, its de facto central bank the Hong Kong Monetary Authority has been forced to intervene multiple times in currency markets to weaken the local currency and maintain its peg to the US dollar.

Ant declined to comment but in its filing in August, the firm 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 and comes as Washington ramps up scrutiny of Chinese tech firms.

A number of high-profile Chinese firms—especially those in tech—have looked to Hong Kong as they shun New York over the tensions between Washington and Beijing.

The US is considering plans to impose stricter rules on firms listed in the country to open up their audit papers to US accountants, which could lead to Chinese companies forced out. And that could push them towards Hong Kong or Shanghai.

In June, mainland e-commerce giant JD.com tech firm NetEase raised almost $7 billion between them in separate listings in Hong Kong.

And this week Chinese courier service giant ZTO Express raised $1.27 billion in a second listing in the city. Its shares are also traded in New York.

The spate of IPOs is also a shot in the arm for Hong Kong as fears mount over the potential fallout of Beijing's imposition of a new national security law on the city banning subversion and foreign interference.



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