

China Mobile's Shanghai debut lukewarm after US delisting

January 5 2022



China Mobile was removed from the New York Stock Exchange following an executive order by former president Donald Trump.

China Mobile shares ended with slight gains on Wednesday in their debut on the Shanghai stock exchange after the telecoms giant was

delisted in New York as tensions soared between Beijing and Washington.

The stock had jumped as much as 9.4 percent at the start of trading—edging toward the 10 percent limit that triggers a trading halt in China—before steadily falling back through the day.

It ended at 57.88 yuan, a gain of 0.52 percent.

The share issue is expected to raise \$8.8 billion after the company exercises an over-allotment option, Bloomberg News said, making it the largest on China's domestic stock markets in more than a decade.

China's biggest wireless carrier by revenue was removed from the New York Stock Exchange last year along with fellow state-owned telecoms firms China Telecom and China Unicom.

That followed an executive order by former president Donald Trump banning Americans from investing in a range of companies deemed to be supplying or supporting China's military and security apparatus.

China Mobile has said funds raised through the flotation will go towards building 5G infrastructure, as well as "smart home" projects and other initiatives.

Some of China's biggest tech and telecom firms listed on US stock markets in recent decades as they sought access to funding on more developed [capital markets](#).

But the tide turned as tensions between Beijing and Washington soared in recent years.

China's government has been encouraging companies to list on domestic

exchanges as part of a push to keep big tech players closer to home and develop the country's capital markets.

China Telecom, the country's biggest fixed-line operator, debuted in Shanghai last August after raising \$7.3 billion in its IPO.

China Unicom has listed shares of a subsidiary in Shanghai since 2002.

In October, US officials told China Mobile to discontinue its services in the country, ending nearly two decades of operations, in a move that Beijing called "malicious suppression" of Chinese companies.

The US Federal Communications Commission said the firm's "ownership and control by the Chinese government raise significant national security and law enforcement risks".

© 2022 AFP

Citation: China Mobile's Shanghai debut lukewarm after US delisting (2022, January 5) retrieved 9 April 2024 from <https://techxplore.com/news/2022-01-china-mobile-shanghai-debut-lukewarm.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--