

Alibaba eyes \$12.9 bn Hong Kong IPO after setting price

20 November 2019



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Chinese online retail titan Alibaba said Wednesday it could raise almost \$13 billion in Hong Kong's biggest IPO for nearly a decade after announcing the pricing of its shares for the mega sale.

Asia's biggest company has called the listing a multi-billion-dollar vote of confidence in the city's markets as it is wracked by months of violent protests and the China-US trade war, which have sent its economy into recession.

Alibaba said in a statement it set the price for each share at HK\$176, which is below the HK\$188 indicative ceiling announced last week.

With 500 million shares offered to investors, the company will raise HK\$88 billion (\$11 billion). Eight is considered an auspicious number for fortune in China.

If it chooses to use its over-allotment option to sell a further 75 million shares, the firm could make HK\$101.2 billion (\$12.9 billion).

Even at the low end, the listing would still be Hong Kong's largest initial public offering since insurance giant AIA raised \$20.5 billion in 2010.

The shares are set to begin trading on the main board of the Hong Kong stock exchange on Tuesday under the stock code "9988".

The company had planned to list in the summer but called it off owing to the city's long-running pro-democracy protests and the China-US trade war.

The firm's shares are already traded in New York.

A second listing in Hong Kong is expected to curry favour with Beijing, which has sought to encourage its current and future big tech firms to list nearer to home after the loss of companies such as Baidu to Wall Street.

Mainland authorities have also stepped up moves to attract such listings, including launching a new technology board in Shanghai in July.

The listing comes after the city's exchange tweaked the rules to allow double listings, while Chief Executive Carrie Lam had also been pushing Alibaba's billionaire founder Jack Ma to sell shares in the city.

The company said in the statement that it "plans to use the proceeds from the Global Offering for the implementation of its strategies to drive user growth and engagement, empower businesses to facilitate digital transformation, and continue to innovate and invest for the long term".

China International Capital Corporation Hong Kong Securities Limited and Credit Suisse (Hong Kong) Limited are the joint sponsors of the offering.

Citigroup Global Markets Asia Limited, JP Morgan Securities (Asia Pacific) Limited and Morgan Stanley Asia Limited are also acting as joint global

coordinators, Alibaba said.

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