



Chinese Mainland and Hong Kong IPO markets

2024 mid-year review

18 June 2024

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A-share IPO market



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Global IPO landscape

Global IPO market: 2024 H1 highlights

Key IPO markets witnessed improvements in IPO activities, while Asia-Pacific remained sluggish.



Geopolitical conflicts



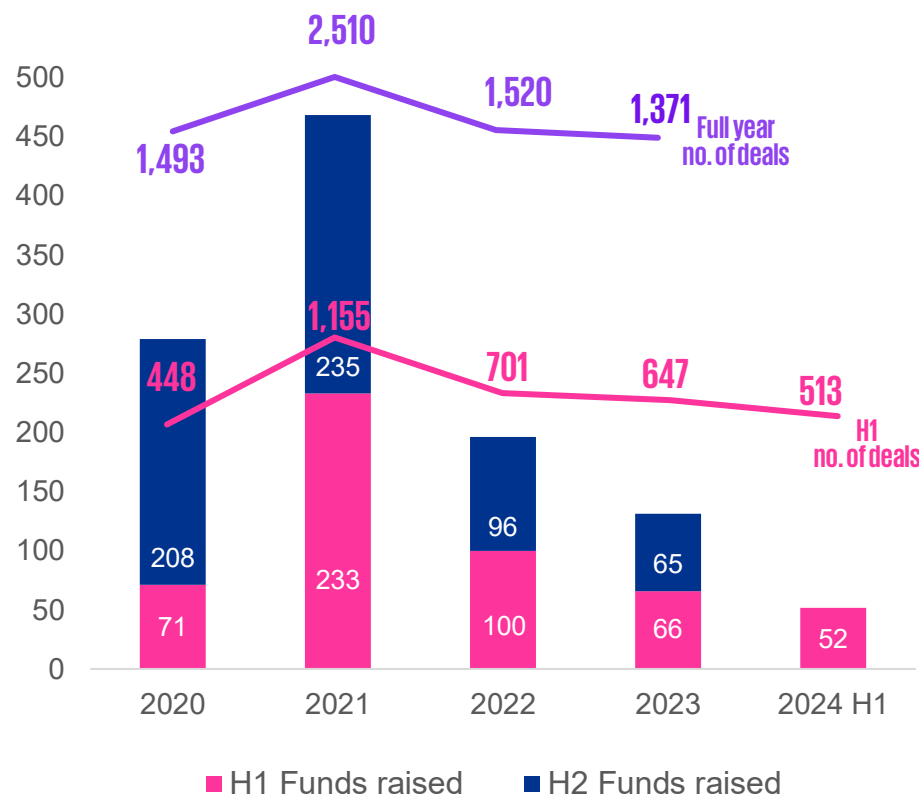
Historical election year



Interest rate environment

Consumer Markets and TMT sectors are the major sectors out of the Top 10 IPO by funds raised.

Global IPO funds raised (2020 – 2024 H1) (USD'B)



USD51.6B

Total Funds Raised

▼ ~20% compared to 2023 H1



513

Completed IPOs

▼ ~20% compared to 2023 H1



6

Deals with fund raised >USD 1B

▼ 1 compared to 2023 H1



USD100.7M

Average Deal Size

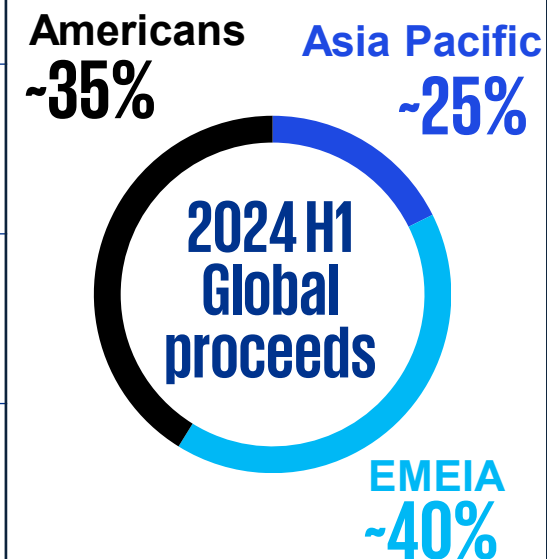
Similar as compared to 2023 H1

(1) Analysis based on actual data as at 13 June 2024.

(2) Sources: Bloomberg and KPMG analysis, included REIT deals and excluded special purpose acquisition company ("SPAC" or "blank check") deals.

2024 H1 Global IPO Rankings

| | 2024 H1 YTD | 2023 H1 YTD | FY2023 |
|------------|--|---|--|
| 1st | New York Stock Exchange USD 10.8B | Shanghai Stock Exchange USD 19.2B | Shanghai Stock Exchange USD 31.3B |
| 2nd | NASDAQ Stock Exchange USD 6.8B | Shenzhen Stock Exchange USD 12.8B | Shenzhen Stock Exchange USD 22.0B |
| 3rd | National Stock Exchange of India USD 3.9B | New York Stock Exchange USD 7.2B | NASDAQ Stock Exchange USD 12.5B |
| 4th | Shanghai Stock Exchange USD 3.8B | Abu Dhabi Securities Exchange USD 3.7B | New York Stock Exchange USD 9.8B |
| 5th | Shenzhen Stock Exchange USD 3.0B | NASDAQ Stock Exchange USD 2.9B | National Stock Exchange of India USD 6.9B |



(1) Analysis based on actual data as at 13 June 2024.
 (2) The exchange rate for USD/HKD is 7.75.
 (3) Sources: Bloomberg and KPMG analysis, included REIT deals and excluded special purpose acquisition company ("SPAC" or "blank check") deals.

2024 H2 Global IPO market outlook

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Global IPO activities have been clouded by increased uncertainty, largely due to geopolitical conflicts and an unprecedented number of elections worldwide. Nonetheless, certain IPO markets are beginning to show signs of resurgence. This presents a window of opportunity for companies to revive their IPO plans and for investors to reconsider the weight of IPOs in their investment portfolio.”



Paul Lau

Partner
Head of Capital Markets and
Professional Practice
KPMG China

Total Funds Raised by Region – 2024 H1 vs 2023 H1

Americas

▲ ~ 65%

Asia-Pacific

▼ ~ 70%

EMEA

▲ ~ 65%



A-share IPO market



A-share IPO market: 2024 H1 highlights

The A-share IPO market was slow amid weaker market sentiment and regulation change.



RMB56.5B

Total Funds Raised

▼ ~75% compared to 2023 H1



52

Completed IPOs

▼ ~70% compared to 2023 H1

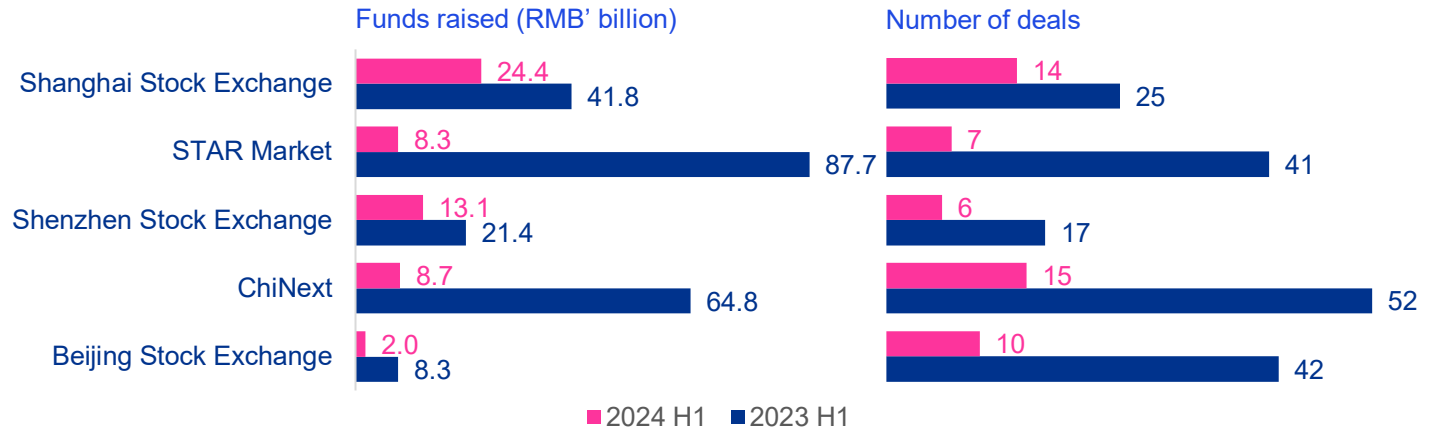


RMB1.1B

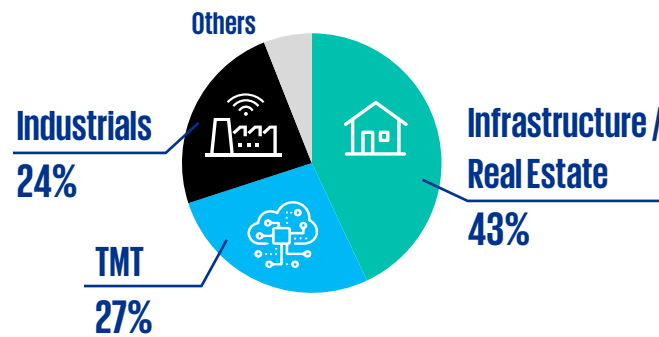
Average Deal Size

▼ ~15% compared to 2023 H1

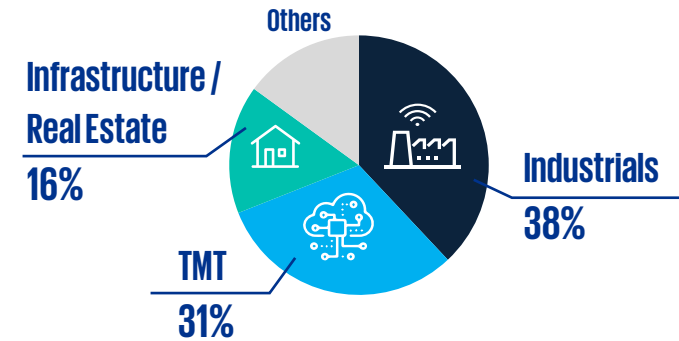
A-share IPO stock exchange distribution



A-share IPO sector distribution by funds raised



A-share IPO sector distribution by number of IPO



Note: All analysis is based on WIND data and included REIT deals as of 13 June 2024, adjusted to number of confirmed listings up to 30 June 2024, unless otherwise stated
Source: Wind and KPMG analysis



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Top 10 largest A-share IPOs

| 2024 H1 | Company | Exchange | Proceeds (RMB billion) | Sector |
|---------|--|--------------|------------------------|------------------------------|
| 1 | China Resources Commercial Assets REIT* | SZSE | 6.9 | Infrastructure / Real Estate |
| 2 | ICBC Credit Suisse Hebei Expressway Group REIT*# | SSE | 5.7 | Infrastructure / Real Estate |
| 3 | CICC Yinli Consumer Infrastructure REIT* | SZSE | 3.3 | Infrastructure / Real Estate |
| 4 | Guotai Junan Chengtou Kuanting Affordable Rental Housing REIT* | SSE | 3.1 | Infrastructure / Real Estate |
| 5 | Grandtop Yongxing Group Co.,Ltd | SSE | 2.4 | Industrials |
| 6 | Solax Power Network Technology (Zhejiang) Co., Ltd. | SSE-STAR | 2.2 | Industrials |
| 7 | E Fund Shenzhen Expressway REIT* | SSE | 2.0 | Infrastructure / Real Estate |
| 8 | Wuhan Dameng Database Company Limited | SSE-STAR | 1.7 | TMT |
| 9 | Xi'an Novastar Tech Co., Ltd. | SZSE-ChiNext | 1.6 | TMT |
| 10 | Shanghai Longcheer Technology Co., Ltd. | SSE | 1.6 | TMT |

Expected to list as at 30 June 2024. Funds raised estimated is based on announced listing price.

| 2023 H1 | Company | Exchange | Proceeds (RMB billion) | Sector |
|---------|--|--------------|------------------------|------------------------------|
| 1 | Semiconductor Manufacturing Electronics (Shaoxing) Corporation | SSE-STAR | 11.1 | TMT |
| 2 | Nexchip Semiconductor Corporation | SSE-STAR | 10.0 | TMT |
| 3 | China Fund Management SPIC New Energy REIT * | SSE | 7.8 | Infrastructure / Real Estate |
| 4 | Shaanxi Energy Investment Co., Ltd. | SZSE | 7.2 | ENR |
| 5 | CSI Solar Co., Ltd. | SSE-STAR | 6.9 | ENR |
| 6 | Hunan Yuneng New Energy Battery Material Co.,Ltd. | SZSE-ChiNext | 4.5 | Industrials |
| 7 | Jiangsu Xukuang Energy Co., Ltd. | SSE | 4.3 | ENR |
| 8 | Shenzhen Intellifusion Technologies Co., Ltd. | SSE-STAR | 3.9 | TMT |
| 9 | Greenworks (Jiangsu) Co.,Ltd. | SZSE-ChiNext | 3.7 | Industrials |
| 10 | Chongqing Genrix Biopharmaceutical Co., Ltd. | SSE-STAR | 3.5 | Healthcare / Life Sciences |

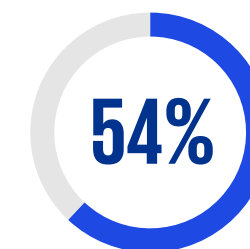
* Refers to real estate investment trusts listings ("REITs")

Note: All analysis is based on WIND data and included REIT deals as of 13 June 2024
Source: Wind and KPMG analysis

REIT took the lead in 2024 H1, contributing



5 out of top 10 IPO

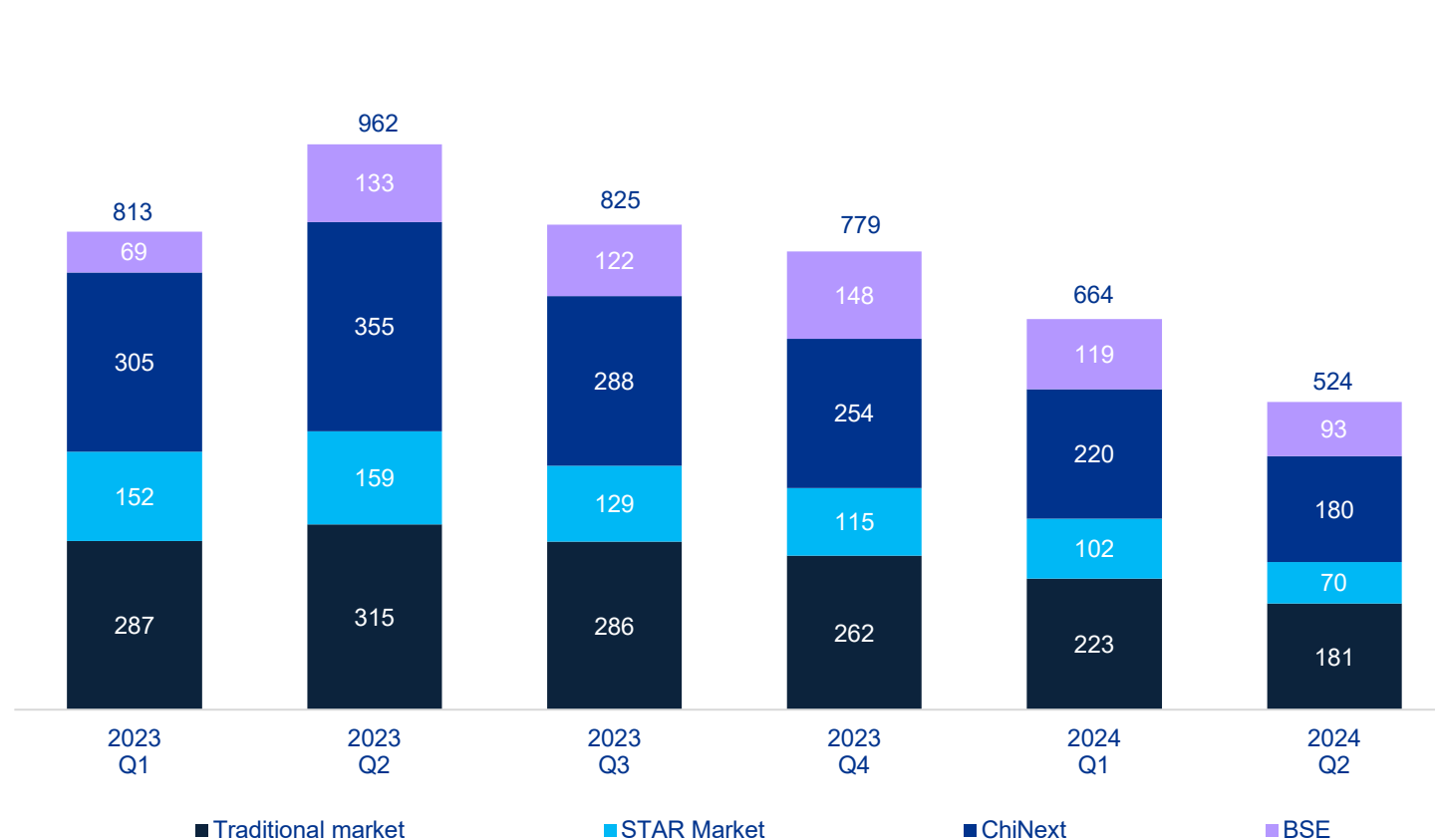


of total IPO proceeds raised by top 10 IPOs in 2024 H1

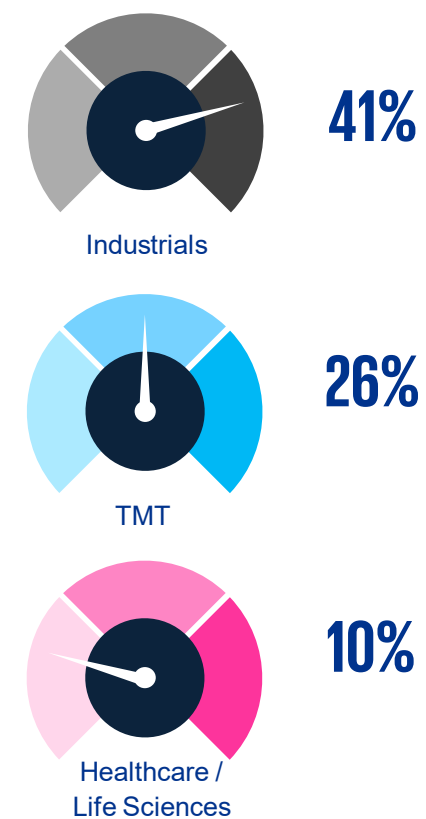
2024 H1 Top 10 largest IPOs by funds raised mainly came from the **traditional market**

A-share IPO Pipeline

Number of active A-share IPO applicants



Top 3 active A-share IPO applicant sectors



Note: All analysis is based on WIND data and included REIT deals as of 13 June 2024. Active applicants included applications suspended due to the expiry of their financial information (中止审查). Historically these applications have been reactivated promptly with updated financial information submitted by the listing applicant.
Source: Wind and KPMG analysis

2024 H2 A-share IPO market Outlook



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In the first half of 2024, IPO activities in the A-share market slowed down amid the tightening regulatory environment. Among the companies listed in this period, there was a noticeable increase in the representation of companies linked to the semiconductor and robotics industry, underscoring the steady support for the growth of these crucial industries. Looking ahead to the remainder of 2024, we expect the TMT and industrials sectors will continue to be the key drivers of the IPO market.”



Louis Lau
Partner
Capital Markets
KPMG China



Hong Kong IPO market

Hong Kong IPO market: 2024 H1 highlights

Hong Kong IPO market remained soft in 2024 H1, but is expected to improve in H2

HKD11.6B

Total Funds Raised

▼ ~35% compared to 2023 H1

27 Completed IPOs

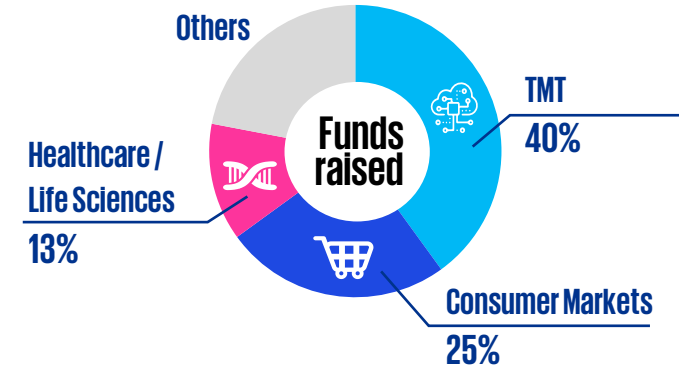
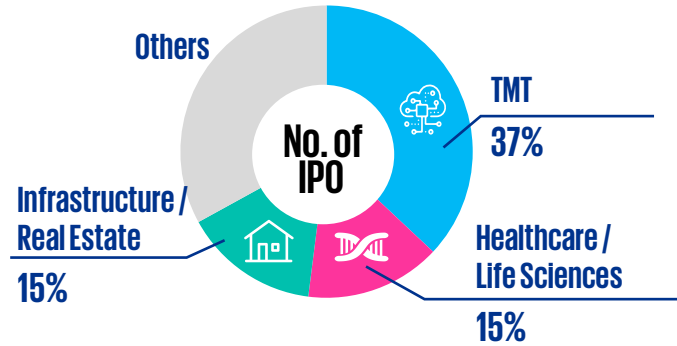
▼ ~15% compared to 2023 H1

HKD428M

Average Deal Size

▼ ~25% compared to 2023 H1

HK IPO sector distribution



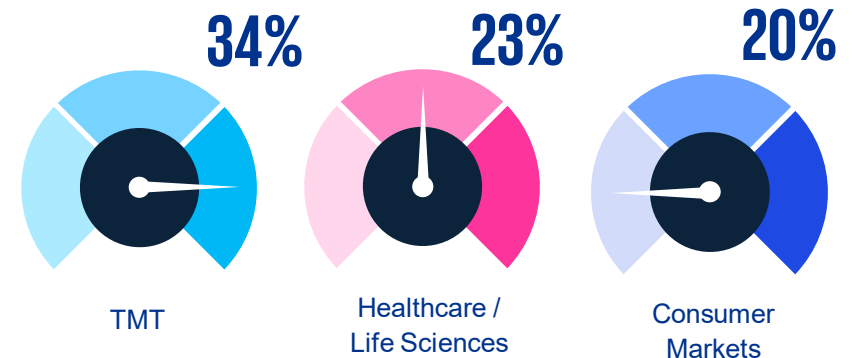
Number of active HK IPO applicants

(As at 13 June 2024)



Top 3 active HK IPO applicant sectors

(As at 13 June 2024)

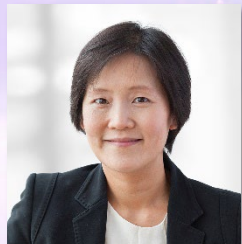


Note: All figures are as of 13 June 2024, adjusted to number of confirmed listings up to 30 June 2024, included listing by introduction, and excluded SPAC deals and GEM transfer
Source: HKEx and KPMG analysis

2024 H2 HK IPO Market Outlook

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There is newfound positivity in the Hong Kong IPO market as evidenced by the surge in IPO applicants. This upsurge has been supported by the CSRC's five measures and A-share applicants switching their IPO plans to Hong Kong. In light of this, we maintain a positive outlook for IPO activities to pick up in the second half of 2024.”



Irene Chu

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KPMG China



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