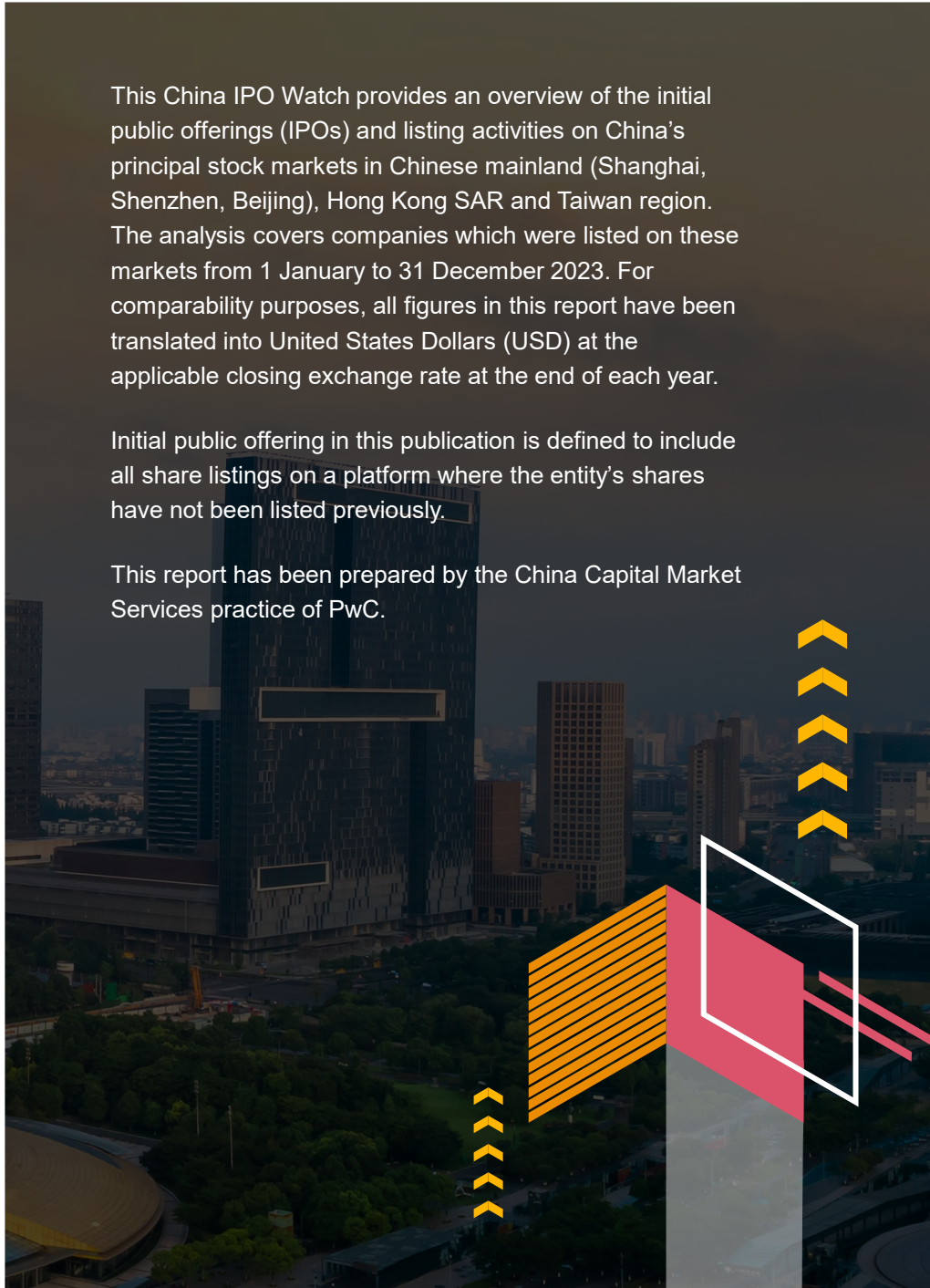




China IPO Watch 2023

China IPO Watch surveys stock market listings in China and provides a comparison with the world's major markets.

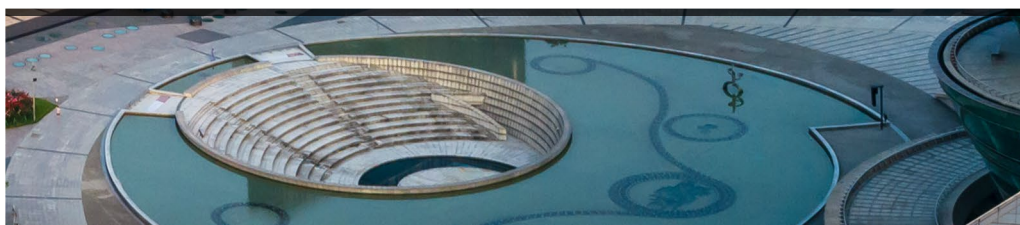
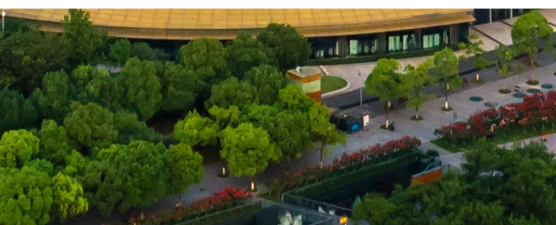




This China IPO Watch provides an overview of the initial public offerings (IPOs) and listing activities on China's principal stock markets in Chinese mainland (Shanghai, Shenzhen, Beijing), Hong Kong SAR and Taiwan region. The analysis covers companies which were listed on these markets from 1 January to 31 December 2023. For comparability purposes, all figures in this report have been translated into United States Dollars (USD) at the applicable closing exchange rate at the end of each year.

Initial public offering in this publication is defined to include all share listings on a platform where the entity's shares have not been listed previously.

This report has been prepared by the China Capital Market Services practice of PwC.



Introduction to the five stock markets

The Hong Kong stock market consists of two separate boards: the Main Board (MB) and the GEM. The MB primarily facilitates fund raising by companies with track records of certain minimum profit, revenue, operating cash flow and/or market capitalisation levels as set out in the Hong Kong listing rules, plus some pre-revenue companies in targeted industries, such as biotech and mining. The GEM focuses on companies which do not fulfil the profitability/track record requirements of the Main Board but have growth potential and a minimum level of positive operating cash flow. Companies established in Chinese mainland that are listed in Hong Kong are referred to as H-share companies. Companies owned by Chinese mainland nationals or enterprises which are listed in Hong Kong through Hong Kong or overseas incorporated holding companies are referred to as Red Chip companies.

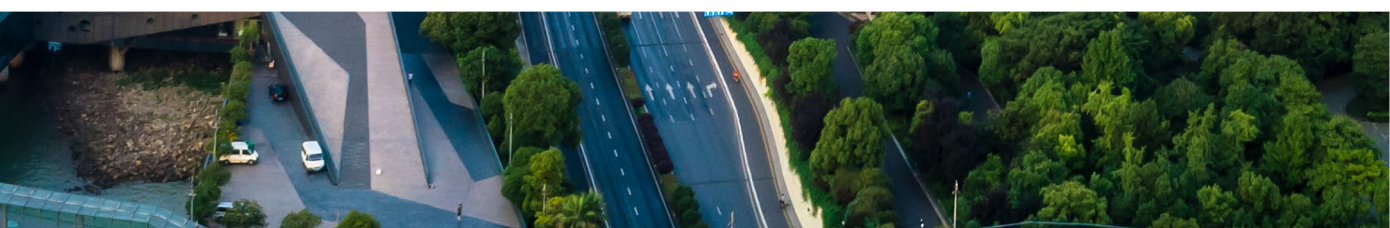
Both the Shanghai and Shenzhen Stock Exchanges consist of A-share and B-share listing platforms on which companies established in Chinese mainland can list. The Shenzhen Stock Exchange has Main Board and a ChiNext Board to facilitate fund-raising of small and medium-sized enterprises and growing venture enterprises. The Shanghai Stock Exchange launched STAR in June 2019 to support listings of high tech and emerging industries. Shanghai and Shenzhen A-share, and shares listed on STAR and ChiNext boards can

only be traded by Chinese mainland nationals and enterprises and by overseas investors through designated approved mechanisms, while B-shares can only be traded by overseas investors.

Beijing Stock Exchange began in November 2021. It focuses on innovation-oriented SMEs as a way of boosting strategic emerging and high tech industries. It facilitates capital raising by SMEs.

The National Equities Exchange and Quotation system in Chinese mainland, which serves as a national share transfer system for SMEs to transfer shares and raise funds, is not covered within this review.

The Taiwan Stock Exchange (TSEC) facilitates capital raising by companies (both Taiwan and foreign companies) with track records of certain minimum profit and capital base. Technology-based companies without track records but with a certain minimum amount of paid-in capital and projected net worth can also be listed. Most of the companies in Taiwan have to list their shares for a minimum of six months on the over-the-counter market, Emerging Stock on the Taipei Exchange (TPEX) before listing on TSEC. This review does not include data from the Taipei Exchange.





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Foreword

Global IPO activity declined further for the second year in a row with global IPO issuance proceed of USD121 billion in 2023 from USD173 billion in 2022, representing a 30% decrease with significant decline in the major global markets, according to the latest Global IPO Watch report released by PwC Global IPO Centre.

In the China region, overall IPO issuance dropped in both number and volume with 414 IPOs and USD57.1 billion raised, representing a drop of 23% and 43% respectively. Yet China's markets still led the world in terms of IPO volume and fundraising.

While A-share IPOs and financing decreased year-on-year, the Shanghai and Shenzhen Stock Exchanges still ranked first and second in the world respectively in terms of fundraising with a total of 236 listings and raised a total of USD48 billion.

Total fundraising in Hong Kong was USD5.9 billion, a year-on-year decrease of 56%. There were 73 IPOs in 2023 – a year-on-year decrease of 19%. 13 of these companies raised HKD1 billion (USD128 million) or more in funding. Two companies were listed by introduction on the Main Board, while three GEM listings switched to the Main Board without any funds being raised.

PwC expects that capital markets will stabilise due to reductions in bearish factors and a substantial demand for corporate financing. In addition, with the end of the rate hike cycle and the possible begin of interest rate reduction, capital flow is expected to return to Asia, increasing market liquidity and improving valuations. The implementation of the new Chapter 18C listing regime and policy to reposition the GEM market will help connect technology companies with international funds and bring new opportunities to small and medium-sized enterprises. We expect that total funds raised for the full year of 2024 in Hong Kong will rebound.

With the steady promotion of the comprehensive registration system, Chinese mainland capital markets will demonstrate increasing vitality. 2024 is a crucial year for implementing a series of policy initiatives such as accelerating the construction of a strong financial system and promoting the deepening and implementation of the stock issuance and registration system. PwC expects a moderate recovery in A-share IPOs in both volume and fundraising amount and that Chinese mainland's A-share markets will continue to rank first in the world.

While we hold cautious optimism for an IPO market recovery as macro landscape stabilises, we expect capital market window will continue to be tight amid geopolitical uncertainty with elections for a significant proportion of the world's population. Investors will continue to challenge issuers on equity story, profitability, cash generation and valuations. This emphasises the need for companies to be confident in their chosen strategy and for listing applicants to be IPO ready in order to take advantage of short IPO windows.

Brian Choi

Capital Markets and Accounting Advisory Services Leader
PwC China

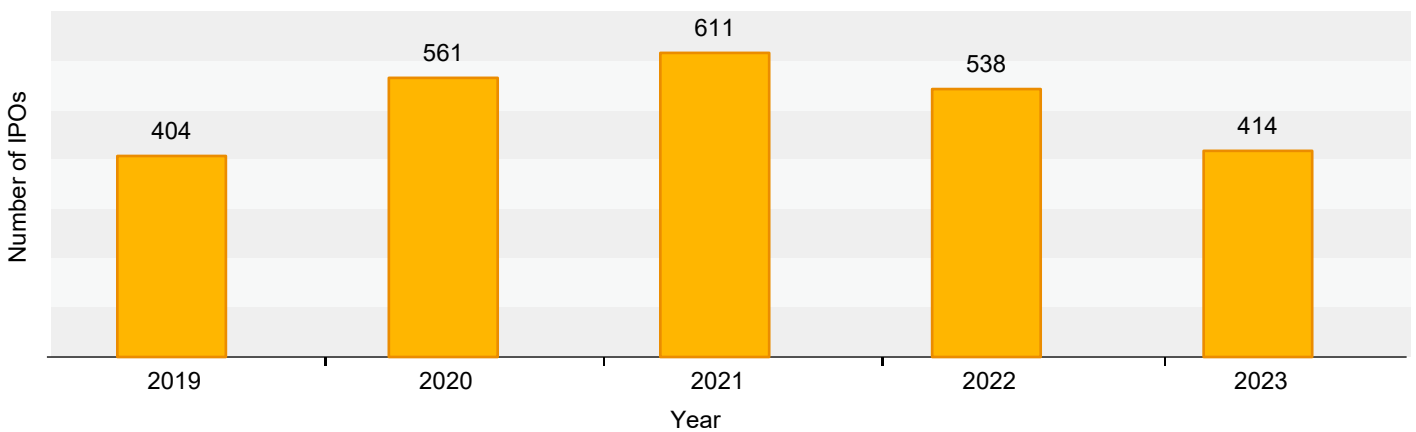


Overview of China exchanges' IPO markets

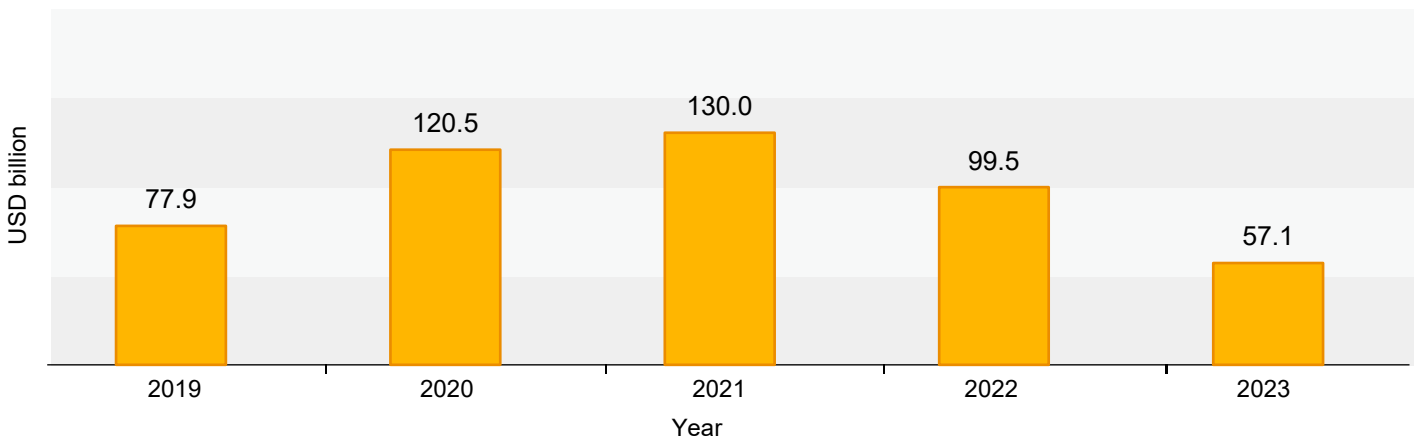
The amount of funds raised from IPOs in China exchanges decreased by 43% from USD99.5 billion in 2022 to USD57.1 billion in 2023. The number of IPOs in China exchanges decreased by 23% from 538 in 2022 to 414 in 2023. The China exchanges continued to lead the world in terms of number of IPOs. The average IPO sizes remained stable compared to 2022.



Number of IPOs from 2019 to 2023



Amount of IPO funds raised from 2019 to 2023



IPOs by stock exchange

In aggregate, funds raised decreased by 43% across the China markets.

The Hong Kong MB hosted 73 IPOs raising USD5.9 billion in 2023, compared to 90 in 2022 raising USD13.4 billion.

Activity on Hong Kong's GEM remained subdued on the anticipation of a revamp exercise, with no new listing in 2023. There was no new listing on GEM in 2022.

IPO proceeds in Shanghai decreased by 48% due to a decrease in the number of new listing companies listing on the Shanghai STAR board which hosted 67 listings raising USD20.2 billion in 2023, compared to 123 listings raising USD36.6 billion in 2022. New listing on the Main Board recorded decrease in funds raised from USD15.5 billion in 2022 with 31 IPOs to USD7 billion with 36 IPOs in 2023.

IPO volumes decreased by 29% in Shenzhen with a 32% decrease in funds raised to USD20.8 billion in 2023.

Beijing Stock Exchange which commenced trading in 2021 recorded decline in both funds raised and volumes in 2023. It hosted 77 IPOs raising USD2.1 billion in 2023.

The Taiwan Stock Exchange hosted 28 IPOs raising USD1.1 billion, compared to 24 listings in 2022 raising USD0.9 billion.

| Funds raised in USD billion | Hong Kong Main Board | Hong Kong GEM | Shanghai Main Board | Shanghai STAR Board | Shenzhen Main Board | Shenzhen ChiNext | Beijing Stock Exchange | Taiwan | Total |
|-----------------------------|----------------------|---------------|---------------------|---------------------|---------------------|------------------|------------------------|--------|--------|
| 2019 | | | | | | | | | |
| No. of IPOs | 169 [#] | 15 | 53 | 70 | 26 | 52 | - | 19 | 404 |
| % of total | 41.8% | 3.7% | 13.1% | 17.3% | 6.5% | 12.9% | - | 4.7% | 100.0% |
| Funds raised | 40.6 | 0.1 | 15.3 | 11.8 | 5.0 | 4.3 | - | 0.8 | 77.9 |
| % of total | 52.1% | 0.1% | 19.7% | 15.2% | 6.4% | 5.5% | - | 1.0% | 100.0% |
| 2020 | | | | | | | | | |
| No. of IPOs | 146 [#] | 8 | 89 [^] | 145 | 54 | 107 | - | 12 | 561 |
| % of total | 26.0% | 1.4% | 15.9% | 25.9% | 9.6% | 19.1% | - | 2.1% | 100.0% |
| Funds raised | 51.5 | 0.1 | 17.7 | 32.3 | 5.5 | 13.1 | - | 0.3 | 120.5 |
| % of total | 42.7% | 0.1% | 14.7% | 26.8% | 4.6% | 10.9% | - | 0.2% | 100.0% |
| 2021 | | | | | | | | | |
| No. of IPOs | 98 [#] | 1 | 87 | 162 | 34 | 199 | 11 | 19 | 611 |
| % of total | 16.0% | 0.2% | 14.2% | 26.5% | 5.6% | 32.6% | 1.8% | 3.1% | 100.0% |
| Funds raised | 42.8 | 0.007 | 26.6 | 32.5 | 3.7 | 23.2 | 0.3 | 0.9 | 130.0 |
| % of total | 32.9% | 0.0% | 20.5% | 25.0% | 2.8% | 17.9% | 0.2% | 0.7% | 100.0% |
| 2022 | | | | | | | | | |
| No. of IPOs | 90 [#] | - | 31 | 123 | 39 | 148 | 83 | 24 | 538 |
| % of total | 16.7% | - | 5.8% | 22.9% | 7.2% | 27.5% | 15.4% | 4.5% | 100.0% |
| Funds raised | 13.4 | - | 15.5 | 36.6 | 4.6 | 26.0 | 2.5 | 0.9 | 99.5 |
| % of total | 13.5% | - | 15.6% | 36.8% | 4.6% | 26.1% | 2.5% | 0.9% | 100.0% |
| 2023 | | | | | | | | | |
| No. of IPOs | 73 [#] | - | 36 | 67 | 23 | 110 | 77 | 28 | 414 |
| % of total | 17.6% | - | 8.7% | 16.2% | 5.5% | 26.6% | 18.6% | 6.8% | 100.0% |
| Funds raised | 5.9 | - | 7.0 | 20.2 | 3.6 | 17.2 | 2.1 | 1.1 | 57.1 |
| % of total | 10.3% | - | 12.3% | 35.4% | 6.3% | 30.1% | 3.7% | 1.9% | 100.0% |

[#] included listing by introduction & switch from GEM to Main Board without raising funds in Hong Kong: 22 in 2019, 10 in 2020, 2 in 2021, 10 in 2022 and 5 in 2023

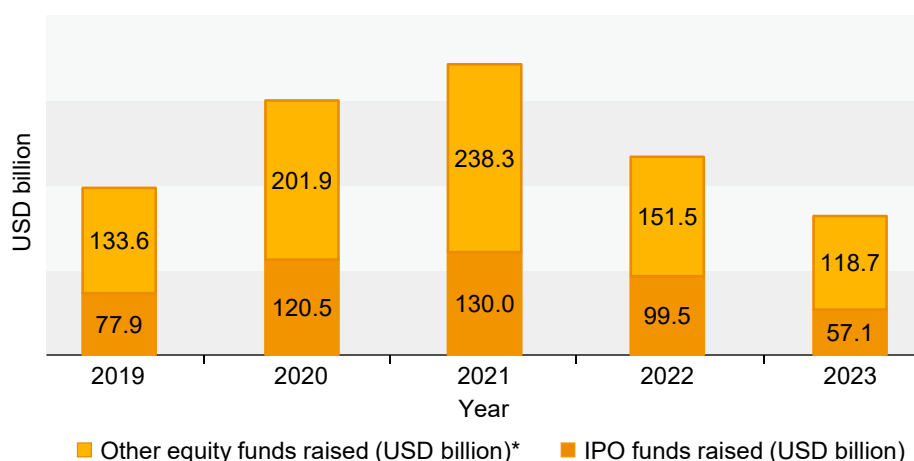
[^] included listed company by shares swap, without raising funds: 1 in Shanghai Main Board in 2020

IPO vs. other equity fund raising

The relative proportion of funds raised from IPOs in China versus total equity funds raised decreased from 40% in 2022 to 32% in 2023.

There was a relative decrease in the proportion of IPO funds raised in Hong Kong, Shanghai and Shenzhen from 53%, 41%, and 35% respectively in 2022 to 31%, 31% and 34% respectively in 2023 while there was an increase in the relative proportion in Taiwan from 13% in 2022 to 20% in 2023.

Total equity funds raised from 2019 to 2023



| Amount in USD billion | Hong Kong | | Shanghai | | Shenzhen | | Beijing | | Taiwan | | China total | |
|----------------------------|-----------|------|----------|------|----------|------|---------|------|--------|------|-------------|------|
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| 2019 | | | | | | | | | | | | |
| IPO funds raised | 40.7 | 69% | 27.1 | 36% | 9.3 | 13% | - | - | 0.8 | 15% | 77.9 | 37% |
| Other equity funds raised* | 17.9 | 31% | 47.4 | 64% | 63.8 | 87% | - | - | 4.5 | 85% | 133.6 | 63% |
| Total equity funds raised | 58.6 | 100% | 74.5 | 100% | 73.1 | 100% | - | - | 5.3 | 100% | 211.5 | 100% |
| 2020 | | | | | | | | | | | | |
| IPO funds raised | 51.6 | 54% | 50.0 | 37% | 18.6 | 22% | - | - | 0.3 | 8% | 120.5 | 37% |
| Other equity funds raised* | 44.6 | 46% | 86.8 | 63% | 66.9 | 78% | - | - | 3.6 | 92% | 201.9 | 63% |
| Total equity funds raised | 96.2 | 100% | 136.8 | 100% | 85.5 | 100% | - | - | 3.9 | 100% | 322.4 | 100% |
| 2021 | | | | | | | | | | | | |
| IPO funds raised | 42.8 | 47% | 59.1 | 43% | 26.9 | 22% | 0.3 | 100% | 0.9 | 12% | 130.0 | 35% |
| Other equity funds raised* | 56.7 | 53% | 76.8 | 57% | 98.0 | 78% | - | - | 6.8 | 88% | 238.3 | 65% |
| Total equity funds raised | 99.5 | 100% | 135.9 | 100% | 124.9 | 100% | 0.3 | 100% | 7.7 | 100% | 368.3 | 100% |
| 2022 | | | | | | | | | | | | |
| IPO funds raised | 13.4 | 53% | 52.1 | 41% | 30.6 | 35% | 2.5 | 100% | 0.9 | 13% | 99.5 | 40% |
| Other equity funds raised* | 12.0 | 47% | 75.7 | 59% | 57.9 | 65% | - | - | 5.9 | 87% | 151.5 | 60% |
| Total equity funds raised | 25.4 | 100% | 127.8 | 100% | 88.5 | 100% | 2.5 | 100% | 6.8 | 100% | 251.0 | 100% |
| 2023 | | | | | | | | | | | | |
| IPO funds raised | 5.9 | 31% | 27.2 | 31% | 20.8 | 34% | 2.1 | 100% | 1.1 | 20% | 57.1 | 32% |
| Other equity funds raised* | 13.4 | 69% | 60.6 | 69% | 40.4 | 66% | - | - | 4.3 | 80% | 118.7 | 68% |
| Total equity funds raised | 19.3 | 100% | 87.8 | 100% | 61.2 | 100% | 2.1 | 100% | 5.4 | 100% | 175.8 | 100% |

* include China REITs: 6 in Shanghai raised USD3.1 billion and 5 in Shenzhen raised USD2.6 billion in 2021; 9 in Shanghai raised USD5 billion and 4 in Shenzhen raised USD1.1 billion in 2022; 5 in Shanghai raised USD2.4 billion in 2023

IPOs by P/E multiples

In 2023, P/E multiples in China for IPOs generally decreased compared to levels shown in 2022. But the percentage of IPOs offered at a P/E multiple of over 30 times was stable at 45% in both 2022 and 2023.

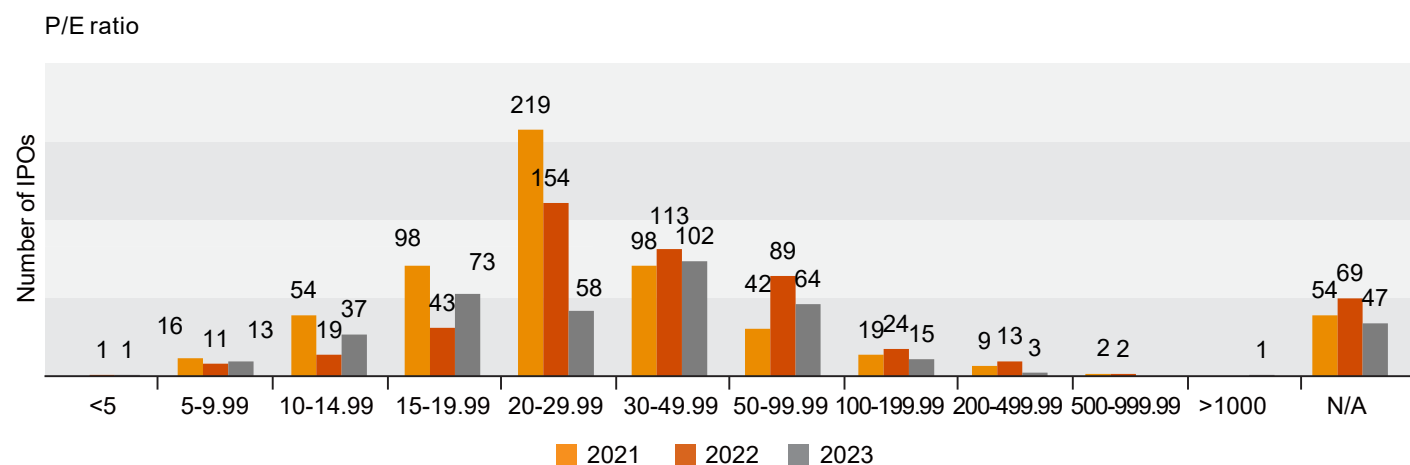
P/E multiples in Hong Kong declined, with 11% of IPOs offered at P/E multiples of above 30 in 2023, compared to 16% in 2022.

P/E multiples in Shanghai increased, with 64% of IPOs offered at P/E multiples of above 30 in 2023, compared with 62% in 2022.

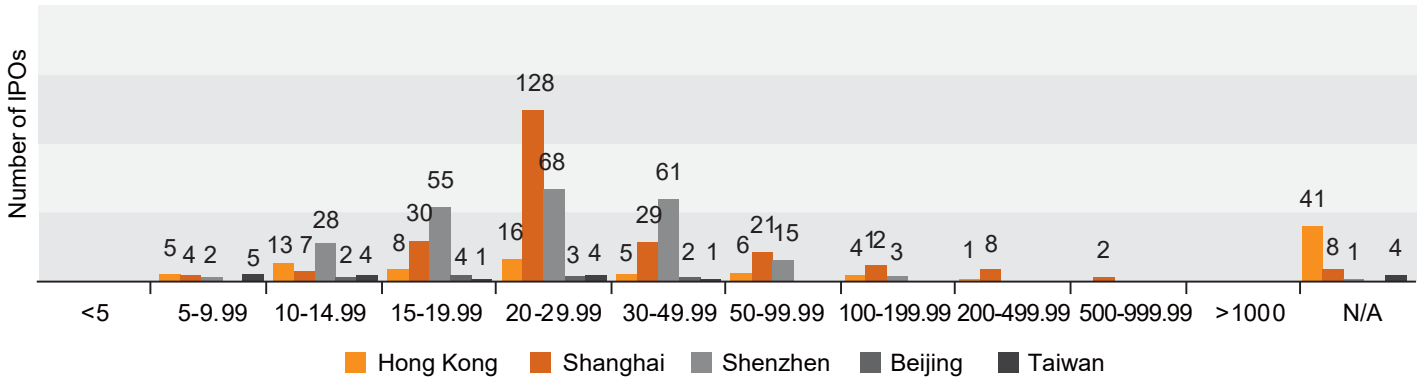
P/E multiples in Shenzhen increased, with 77% of IPOs being offered at multiples above 30 in 2023, compared to 64% in 2022.

P/E multiples in Beijing decreased, with 4% of IPOs being offered at multiples above 30 in 2023, compared to 6% in 2022.

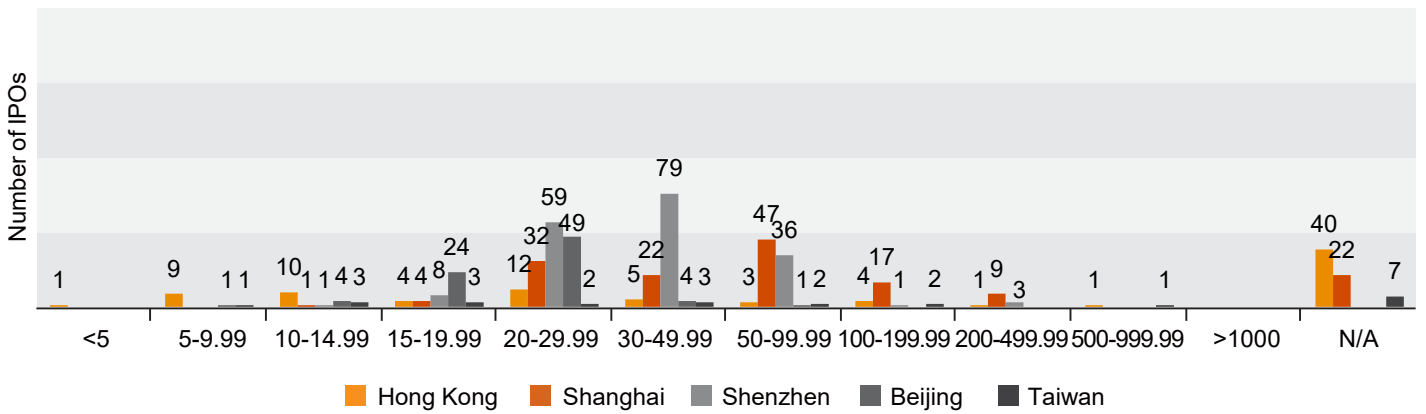
In Taiwan, P/E multiples decreased, with 21% of IPOs with P/E multiples above 30 in 2023, compared to 33% in 2022.



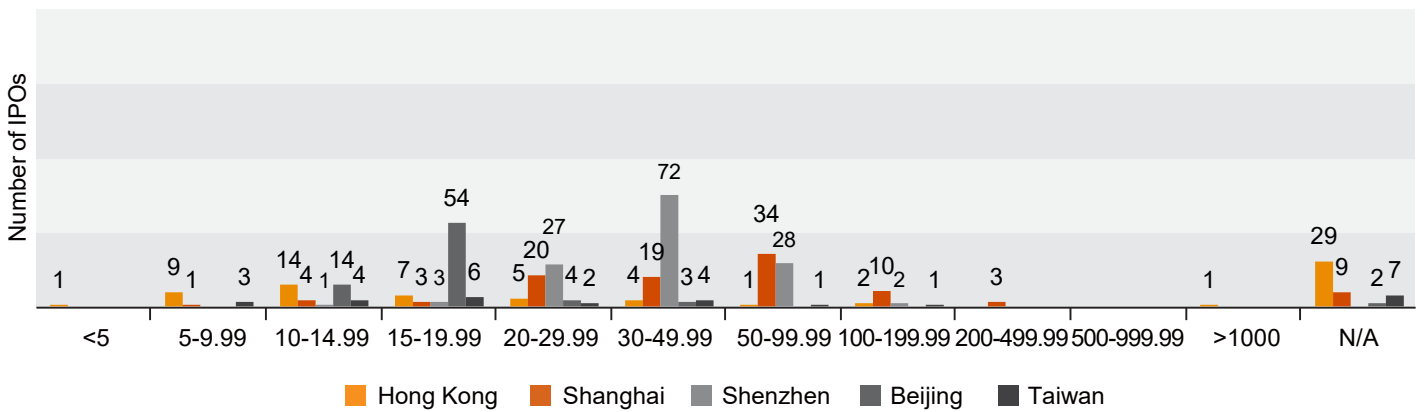
P/E ratio by stock exchange 2021



P/E ratio by stock exchange 2022

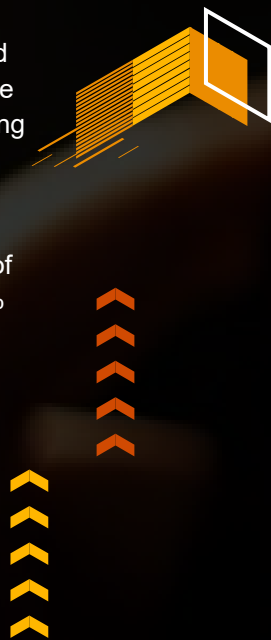


P/E ratio by stock exchange 2023

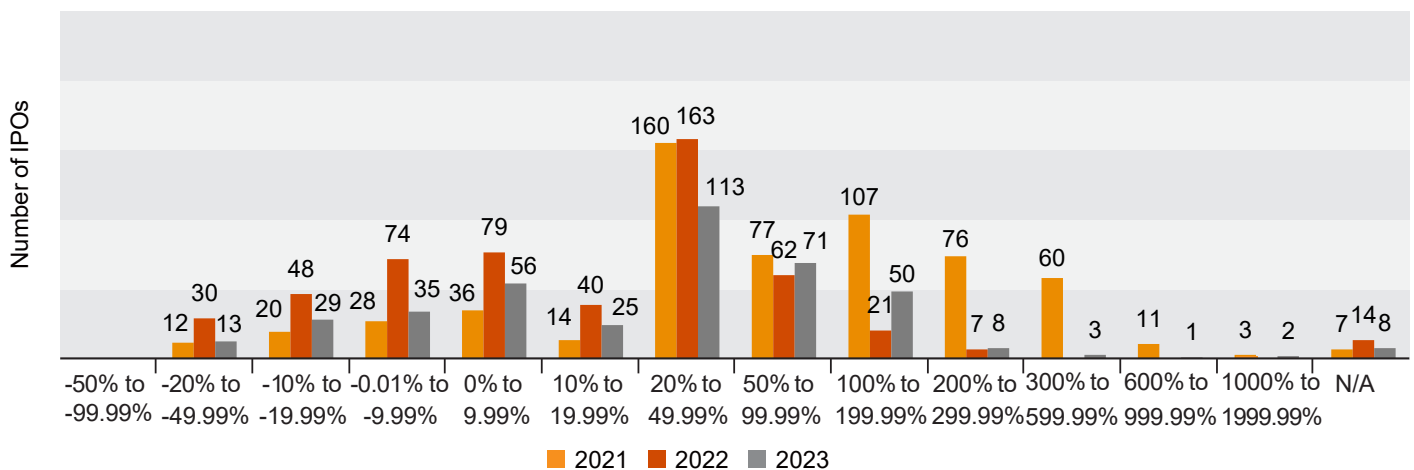


IPOs by share price performance on the first day of listing

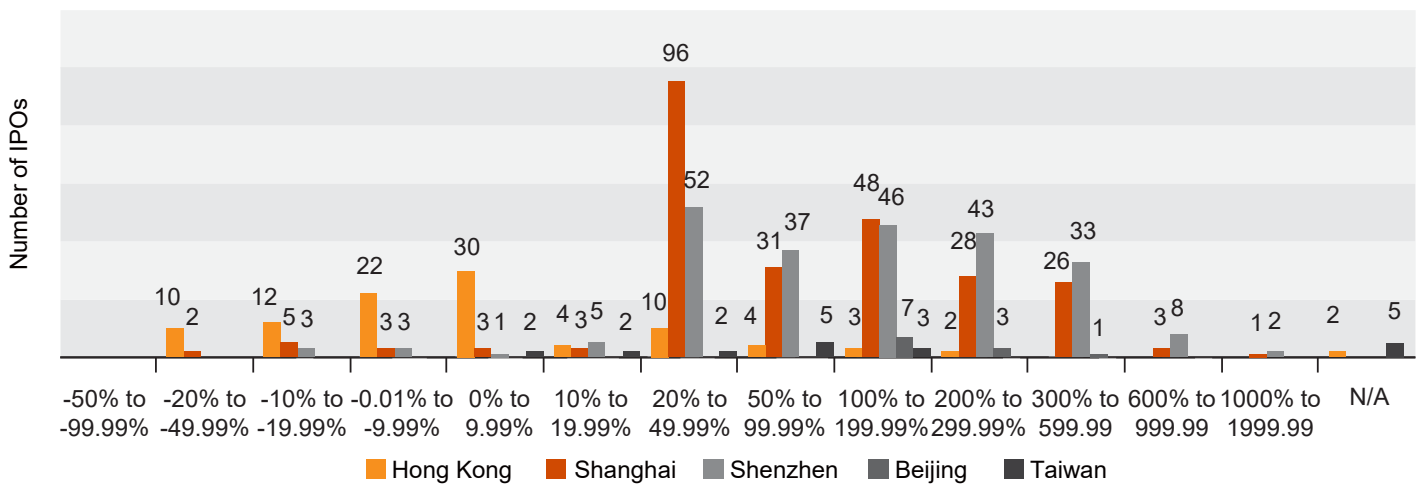
80% of new listings in 2023 closed their first day of trading with a price above the IPO issue price indicating more favourable pricing for IPO investors than in previous year. In 2023, 33% of IPOs enabled investors to have a first day gain of more than 50%, compared to 17% in 2022.



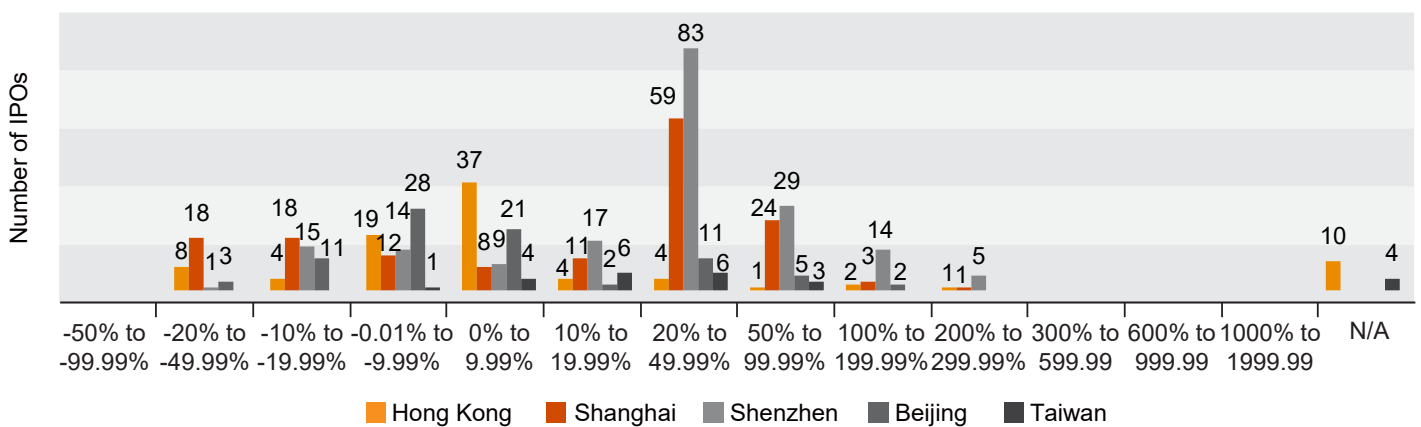
Share price performance by year – % change of first day closing price over IPO price



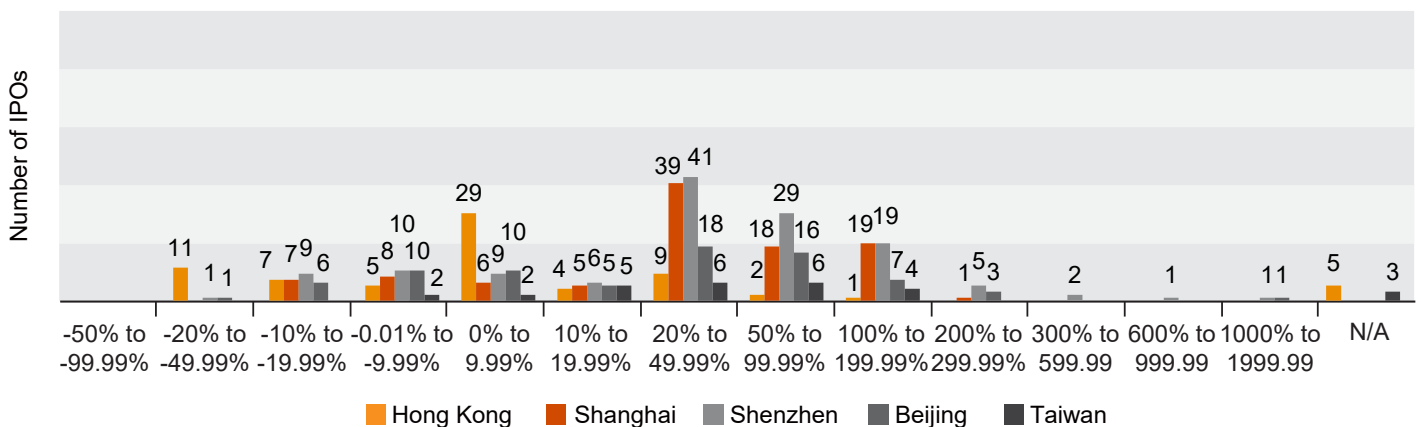
Share price performance – % change of first day closing price over IPO price by stock exchange 2021



Share price performance – % change of first day closing price over IPO price by stock exchange 2022



Share price performance – % change of first day closing price over IPO price by stock exchange 2023

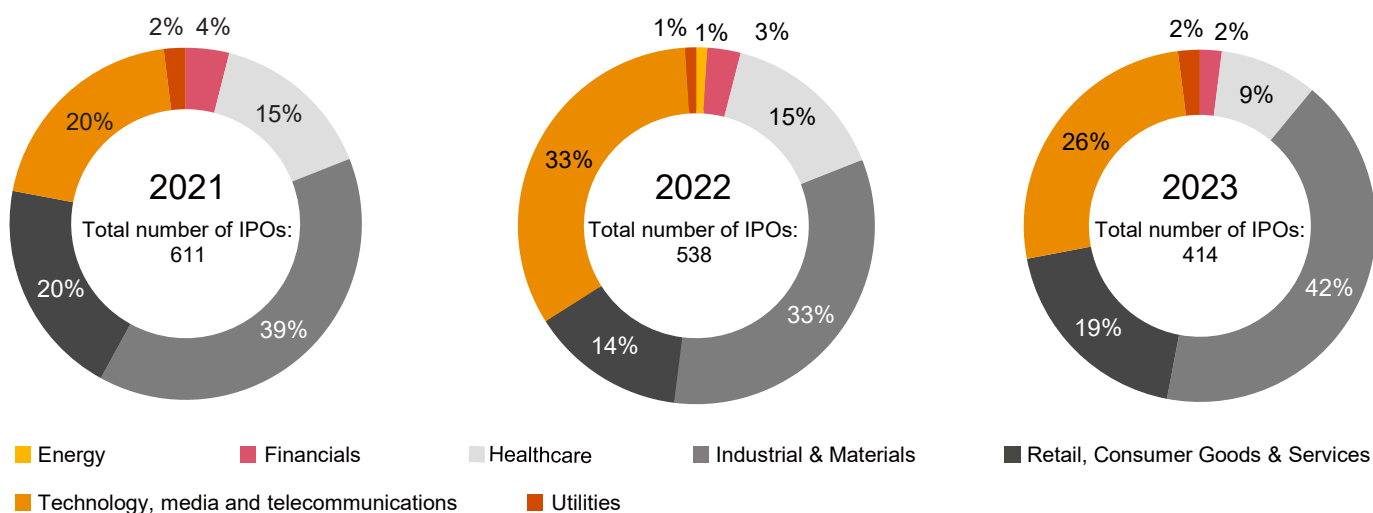


IPOs by industry sector

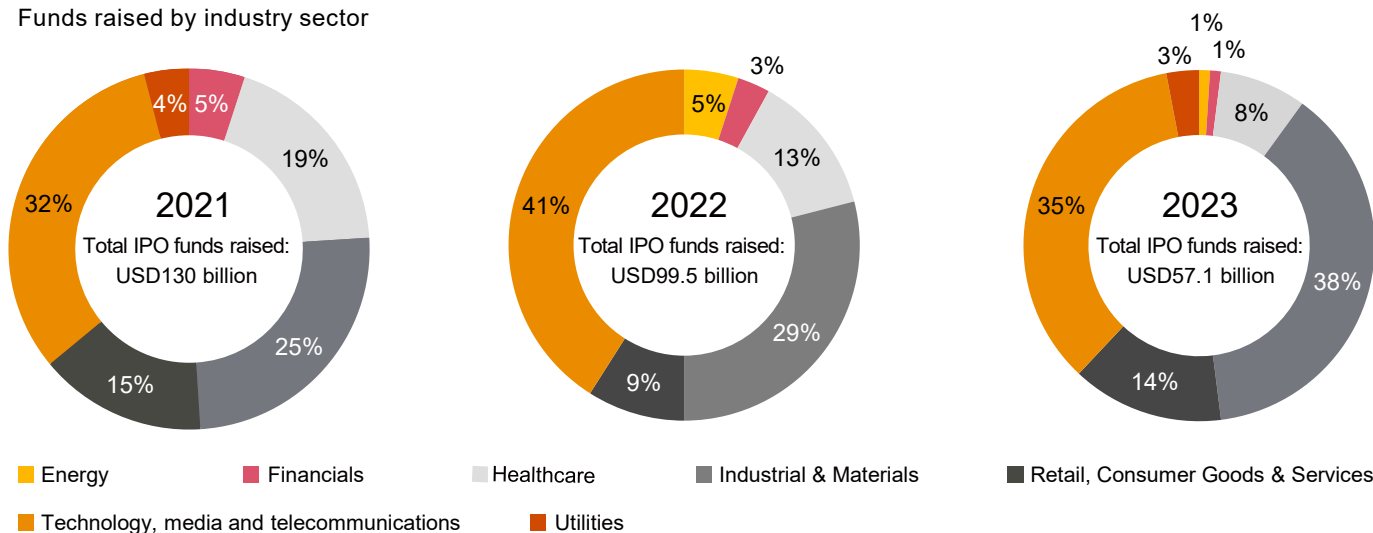
The relative proportion of IPO candidates from the retail, consumer goods and services sector increased from 14% in 2022 to 19% in 2023. There was a moderate increase in the relative number of applicants from the industrial sector from 33% in 2022 to 42% in 2023. The relative number of technology, media and telecommunications (TMT) companies decreased from 33% in 2022 to 26% in 2023.

The relative proportion of funds raised by TMT companies declined to 35% from 41%. There was an increase in the relative proportion of funds raised from the retail, consumer goods and services sector from 9% in 2022 to 14% in 2023. The relative proportion of funds raised from the industrial sector increased from 29% in 2022 to 38% in 2023.

Number of IPOs by industry sector



Funds raised by industry sector



Turnover value and market capitalisation

The market capitalisation of the China capital markets decreased by 4% to USD16,769.2 billion with a 4% net increase in the number of listed companies to 9,026.

The turnover value of the China capital markets decreased by 8% to USD35,280.8 billion in 2023. This was primarily driven by decrease of 17% in Hong Kong Main Board, 10% in Shanghai A-share and 7% in Shenzhen A-share.

Turnover in the China capital markets for 2023 was 210% of its closing market capitalisation (2022: 219%); while it was 27% (2022: 40%) in the United Kingdom and 102% (2022: 147%) in the United States.

Market data as of 31 Dec (Amount in USD billion)

| | 2021 | | | 2022 | | | 2023 | | |
|-------------------------|----------------------------|----------------|-----------------------|----------------------------|----------------|-----------------------|----------------------------|----------------|-----------------------|
| | Number of listed companies | Turnover value | Market capitalisation | Number of listed companies | Turnover value | Market capitalisation | Number of listed companies | Turnover value | Market capitalisation |
| Hong Kong Main Board | 2,219 | 5,269.2 | 5,421.3 | 2,257 | 3,935.9 | 4,563.9 | 2,283 | 3,262.8 | 3,966.7 |
| Hong Kong GEM | 353 | 12.3 | 13.9 | 340 | 5.3 | 10.9 | 326 | 4.0 | 6.9 |
| Shanghai A [#] | 2,032 | 17,951.5 | 8,172.4 | 2,169 | 13,931.1 | 6,702.4 | 2,258 | 12,564.3 | 6,502.1 |
| Shanghai B | 47 | 6.5 | 14.1 | 44 | 6.9 | 13.3 | 44 | 3.9 | 11.5 |
| Shenzhen A [*] | 2,571 | 22,675.0 | 6,235.9 | 2,736 | 18,568.4 | 4,687.1 | 2,838 | 17,275.6 | 4,353.2 |
| Shenzhen B | 43 | 4.3 | 8.2 | 42 | 3.0 | 7.7 | 41 | 2.1 | 6.7 |
| Beijing | 82 | 25.4 | 42.9 | 162 | 28.7 | 30.6 | 239 | 102.3 | 63.2 |
| Taiwan | 959 | 3,334.9 | 2,033.8 | 971 | 1,824.9 | 1,440.5 | 997 | 2,065.8 | 1,858.9 |
| Total | 8,306 | 49,279.1 | 21,942.5 | 8,721 | 38,304.2 | 17,456.4 | 9,026 | 35,280.8 | 16,769.2 |

[#] including Shanghai Main Board and STAR Board

^{*} including Shenzhen Main Board and Shenzhen ChiNext

Top ten IPOs in China from 2021 to 2023

The top ten IPOs in China accounted for 20% of the total funds from IPOs in 2023 (2022: 24%).

Over the last three years, Hong Kong, Shanghai and Shenzhen have consistently hosted the largest IPOs in China. The ability of these three markets to absorb large IPOs demonstrates the significant capital pool available in China. In 2023, one IPO raised over USD2 billion, compared to three in 2022 and eight in 2021.

Average deal sizes of the top ten IPOs were USD1.1 billion, 54% lower than 2022 and 70% lower than 2021. Shanghai led the way for larger IPOs, hosting the listing of Hua Hong Semiconductor Limited, which raised USD2.9 billion alone.

| 2021 | | |
|--|----------------------------|----------------|
| Company | Funds raised (USD million) | Stock Exchange |
| China Telecom Corporation Limited | 8,531 | Shanghai |
| Kuaishou Technology | 6,194 | Hong Kong |
| BeiGene Ltd | 4,104 | Shanghai |
| JD Logistics Inc | 3,626 | Hong Kong |
| China Three Gorges Renewables (Group) Co., Ltd | 3,578 | Shanghai |
| Baidu Inc | 3,070 | Hong Kong |
| Bilibili Inc | 2,979 | Hong Kong |
| XPeng Inc | 2,054 | Hong Kong |
| Li Auto Inc | 1,723 | Hong Kong |
| Shanghai Rural Commercial Bank Co., Ltd | 1,352 | Shanghai |
| Total | 37,211 (29%) | |

| 2022 | | |
|---|----------------------------|----------------|
| Company | Funds raised (USD million) | Stock Exchange |
| China Mobile Limited | 7,527 | Shanghai |
| CNOOC Limited | 4,676 | Shanghai |
| China Tourism Group Duty Free Corporation Ltd | 2,359 | Hong Kong |
| Tianqi Lithium Corporation | 1,726 | Hong Kong |
| Shanghai United Imaging Healthcare Co., Ltd. | 1,591 | Shanghai |
| Hygon Information Technology Co., Ltd. | 1,564 | Shanghai |
| Jinkosolar Co.,Ltd. | 1,448 | Shanghai |
| CALB Co Ltd | 1,296 | Hong Kong |
| ASR Microelectronics Co., Ltd. | 997 | Shanghai |
| Hubei Wanrun New Energy Technology Co.,Ltd. | 925 | Shanghai |
| Total | 24,109 (24%) | |

| 2023 | | |
|--|----------------------------|----------------|
| Company | Funds raised (USD million) | Stock Exchange |
| Hua Hong Semiconductor Limited | 2,982 | Shanghai |
| Semiconductor Manufacturing Electronics (Shaoxing) Corporation | 1,557 | Shanghai |
| Nexchip Semiconductor Corporation | 1,401 | Shanghai |
| Shaanxi Energy Investment Co., Ltd. | 1,013 | Shenzhen |
| Baimtec Material Co.,Ltd. | 1,000 | Shanghai |
| CSI Solar Co., Ltd. | 971 | Shanghai |
| Huaqin Technology Co., Ltd. | 823 | Shanghai |
| ZJLD Group Inc | 680 | Hong Kong |
| Hunan Yuneng New Energy Battery Material Co.,Ltd. | 633 | Shenzhen |
| Jiangsu Xukuang Energy Co. Ltd | 599 | Shanghai |
| Total | 11,659 (20%) | |



Top ten IPOs in world history

Three of the top four IPOs in world history are based in China.

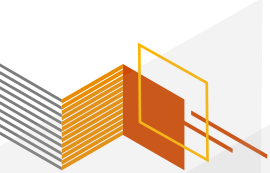
Alibaba Group, the China-based e-commerce business, completed an IPO on the New York Stock Exchange in 2014 raising USD25.0 billion, the largest IPO recorded, surpassing the IPO of Agricultural Bank of China Ltd in 2010 which raised a total of USD22.4 billion. The IPO of Industrial and Commercial Bank of China Ltd is the fourth largest IPO in world history, raising USD22.0 billion in 2006.

Top ten IPOs in world history

| Rank | Listing year | Company | Stock Exchange | Country | USD million |
|------|--------------|---|--|---------------|-------------|
| 1 | 2019 | Saudi Arabian Oil Co | Saudi Stock Exchange | Saudi Arabia | 25,601 |
| 2 | 2014 | Alibaba Group Holding Ltd | New York Stock Exchange | China | 25,032 |
| 3 | 2010 | Agricultural Bank of China Ltd | Hong Kong Stock Exchange & Shanghai Stock Exchange | China | 22,430 |
| 4 | 2006 | Industrial and Commercial Bank of China Ltd | Hong Kong Stock Exchange & Shanghai Stock Exchange | China | 22,041 |
| 5 | 2018 | Softbank Corp | Tokyo Stock Exchange | Japan | 21,140 |
| 6 | 2010 | AIA Group Ltd | Hong Kong Stock Exchange | China | 20,465 |
| 7 | 2008 | VISA Inc | New York Stock Exchange | United States | 19,650 |
| 8 | 1998 | NTT Mobile Communications Network Inc | Tokyo Stock Exchange | Japan | 18,379 |
| 9 | 2010 | General Motors Co Ltd | New York Stock Exchange | United States | 18,140 |
| 10 | 1999 | Ente Nazionale per l'Energia Elettrica | Milan Stock Exchange | Italy | 17,408 |

Source: Thomson Financial





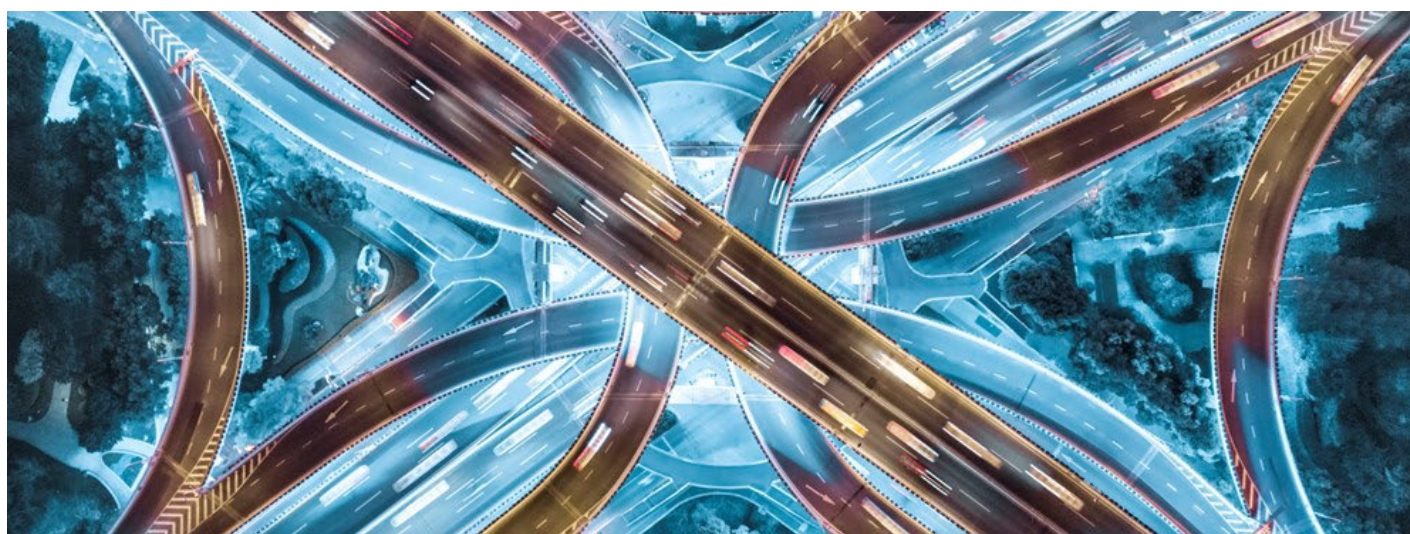
Top ten IPOs worldwide in 2023

Four of the top ten IPOs in the world in 2023 was on China stock exchanges, same as 2022. These included the listing of Hua Hong Semiconductor Ltd, Semiconductor Manufacturing Electronics (Shaoxing) Corp and Nexchip Semiconductor Corp in Shanghai and Shaanxi Energy Investment Co Ltd in Shenzhen in 2023.

Top ten IPOs worldwide in 2023

| Rank | Listing month | Company | Stock Exchange | Country | USD million |
|------|---------------|---|-------------------------------|----------------------|-------------|
| 1 | September | Arm Holdings plc | Nasdaq Stock Exchange | United Kingdom | 5,228 |
| 2 | May | Kenvue Inc | New York Stock Exchange | United States | 4,372 |
| 3 | August | Hua Hong Semiconductor Ltd | Shanghai Stock Exchange | China | 2,982 |
| 4 | March | ADNOC Gas PLC | Abu Dhabi Securities Exchange | United Arab Emirates | 2,476 |
| 5 | July | Societatea de Producere a Energiei Electrice in Hidrocentrale Hidroelectrica SA | Bucharest Stock Exchange | Romania | 2,047 |
| 6 | May | Semiconductor Manufacturing Electronics (Shaoxing) Corp | Shanghai Stock Exchange | China | 1,557 |
| 7 | October | Birkenstock Holding Ltd | New York Stock Exchange | United States | 1,484 |
| 8 | May | Nexchip Semiconductor Corp | Shanghai Stock Exchange | China | 1,401 |
| 9 | October | Ades Holding Co | Saudi Exchange | Saudi Arabia | 1,219 |
| 10 | April | Shaanxi Energy Investment Co Ltd | Shenzhen Stock Exchange | China | 1,013 |

Source: Thomson Financial



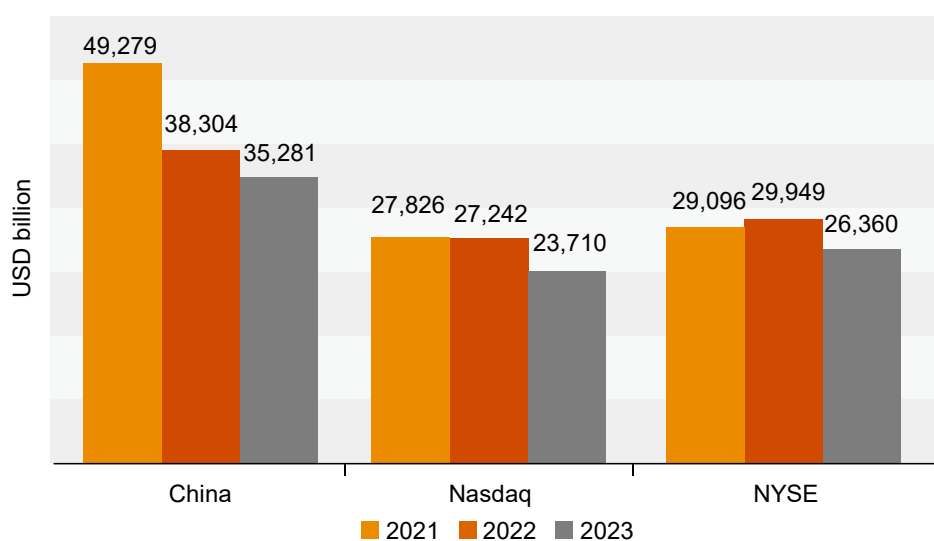
Comparison with the US markets

The total IPO proceeds in the US markets (NYSE and Nasdaq) in 2023 was USD23.9 billion, compared to USD57.1 billion in the China markets.

The amount of IPO funds raised in the US markets increased by 10% from USD21.7 billion in 2022 to USD23.9 billion in 2023, with a 15% decrease in IPO volumes.

The average deal size in the US and China in 2023 was USD0.16 billion and 0.14 billion, respectively.

Value of equity trading



Source: World Federation of Exchange website

The value of equity trading in China decreased by 8% to USD35,281 billion in 2023 from USD38,304 billion in 2022. The value of equity trading in the US decreased by 13% to USD50,070 billion in 2023 from USD57,191 billion in 2022.

(Amount in USD billion)

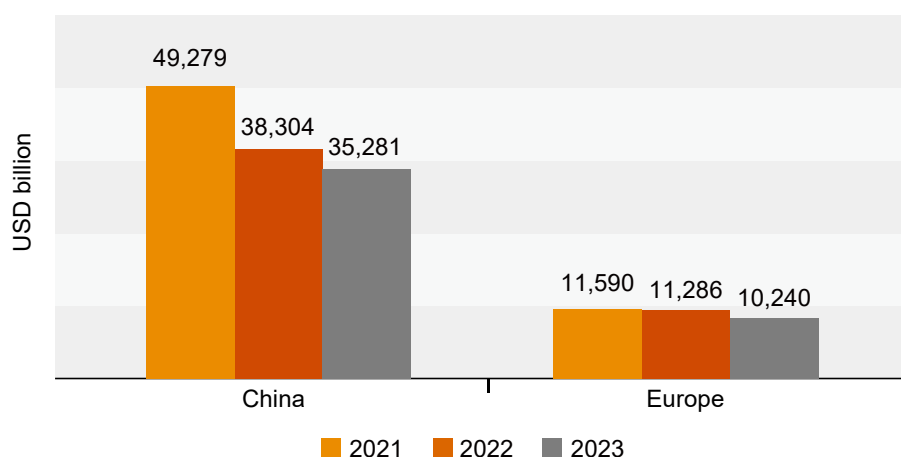
| Stock Exchange | 2021 | | | 2022 | | | 2023 | | |
|----------------------------|----------------|--------------|-------------------|----------------|--------------|-------------------|----------------|--------------|-------------------|
| | Number of IPOs | Funds raised | Average deal size | Number of IPOs | Funds raised | Average deal size | Number of IPOs | Funds raised | Average deal size |
| Hong Kong | 99 | 42.8 | | 90 | 13.4 | | 73 | 5.9 | |
| Shanghai | 249 | 59.1 | | 154 | 52.1 | | 103 | 27.2 | |
| Shenzhen | 233 | 26.9 | | 187 | 30.6 | | 133 | 20.8 | |
| Beijing | 11 | 0.3 | | 83 | 2.5 | | 77 | 2.1 | |
| Taiwan | 19 | 0.9 | | 24 | 0.9 | | 28 | 1.1 | |
| China total | 611 | 130.0 | 0.21 | 538 | 99.5 | 0.18 | 414 | 57.1 | 0.14 |
| Nasdaq | 728 | 197.9 | | 153 | 16.0 | | 123 | 13.7 | |
| NYSE | 282 | 117.7 | | 23 | 5.7 | | 26 | 10.2 | |
| Nasdaq + NYSE total | 1,010 | 315.6 | 0.31 | 176 | 21.7 | 0.12 | 149 | 23.9 | 0.16 |

Comparison with the European markets

The IPO markets in Europe (including exchanges in the EU member countries plus the UK, Switzerland, and Norway) increased by 5% by volume to 107 IPOs and decreased by 32% by funds raised to USD11.3 billion. The average deal size in Europe decreased by 31% from USD0.16 billion in 2022 to USD0.11 billion in 2023.

In 2023, USD57.1 billion of IPO funds were raised by 414 IPOs in China, representing an average deal size of USD0.14 billion which decreased from an average deal size of USD0.18 billion in 2022.

Value of equity trading



The value of equity trading in Europe decreased by 9% from USD11,286 billion in 2022 to USD10,240 billion in 2023.

(Amount in USD billion)

| Stock Exchange | 2021 | | | 2022 | | | 2023 | | |
|---------------------|----------------|--------------|-------------------|----------------|--------------|-------------------|----------------|--------------|-------------------|
| | Number of IPOs | Funds raised | Average deal size | Number of IPOs | Funds raised | Average deal size | Number of IPOs | Funds raised | Average deal size |
| Hong Kong | 99 | 42.8 | | 90 | 13.4 | | 73 | 5.9 | |
| Shanghai | 249 | 59.1 | | 154 | 52.1 | | 103 | 27.2 | |
| Shenzhen | 233 | 26.9 | | 187 | 30.6 | | 133 | 20.8 | |
| Beijing | 11 | 0.3 | | 83 | 2.5 | | 77 | 2.1 | |
| Taiwan | 19 | 0.9 | | 24 | 0.9 | | 28 | 1.1 | |
| China total | 611 | 130.0 | 0.21 | 538 | 99.5 | 0.18 | 414 | 57.1 | 0.14 |
| London (Main Board) | 55 | 16.3 | | 8 | 1.1 | | 21 | 1.2 | |
| London (AIM) | 65 | 6.4 | | 9 | 0.1 | | 11 | 0.06 | |
| London total | 120 | 22.7 | 0.19 | 17 | 1.2 | 0.07 | 32 | 1.3 | 0.04 |
| Europe total | 422 | 85.3 | 0.20 | 102 | 16.7 | 0.16 | 107 | 11.3 | 0.11 |

Comparison with major Asian markets

The number of IPOs in Japan increased by 6% from 91 in 2022 to 96 in 2023. The IPO funds raised in Japan increased by 80% from USD2.5 billion in 2022 to USD4.5 billion in 2023.

The number of IPOs in Singapore (including Main Board and Catalyst) decreased from 11 in 2022 to 6 in 2023 and the IPO funds raised decreased from USD0.4 billion in 2022 compared to USD0.04 billion in 2023.

Australia experienced a 64% drop in IPO volumes from 90 in 2022 to 32 in 2023 with a 25% decrease in funds raised from USD0.8 billion in 2022 to USD0.6 billion in 2023, reflecting a decrease in size of the IPOs.

Malaysia continued its development as a capital market hosting 32 IPOs, down by 9% from 2022. The IPO funds raised remained similar level at USD0.8 billion in 2022 and 2023.

Indonesia shined in 2023 hosting 77 new listings and raised USD3.5 billion, representing a 40% and 67% increase in volume and funds raised respectively compared to 2022.

Thailand's IPO funds raised decreased by 61% to USD1.3 billion 2023 from USD3.3 billion in 2022 hosting 40 new listings in both 2022 and 2023.

Korea's IPO funds raised declined significantly by 77% from USD12.8 billion in 2022 to USD3 billion in 2023 despite an increase in volume from 136 in 2022 to 159 in 2023.

(Amount in USD billion)

| Stock Exchange | 2021 | | | 2022 | | | 2023 | | |
|---|----------------|--------------|-------------------|----------------|--------------|-------------------|----------------|--------------|-------------------|
| | Number of IPOs | Funds raised | Average deal size | Number of IPOs | Funds raised | Average deal size | Number of IPOs | Funds raised | Average deal size |
| Hong Kong | 99 | 42.8 | | 90 | 13.4 | | 73 | 5.9 | |
| Shanghai | 249 | 59.1 | | 154 | 52.1 | | 103 | 27.2 | |
| Shenzhen | 233 | 26.9 | | 187 | 30.6 | | 133 | 20.8 | |
| Beijing | 11 | 0.3 | | 83 | 2.5 | | 77 | 2.1 | |
| Taiwan | 19 | 0.9 | | 24 | 0.9 | | 28 | 1.1 | |
| China total | 611 | 130.0 | 0.21 | 538 | 99.5 | 0.18 | 414 | 57.1 | 0.14 |
| Japan Exchange Group (Tokyo and Osaka)* | 122 | 6.8 | | 87 | 2.5 | | 91 | 4.5 | |
| Sapporo | - | - | | 1 | 0.003 | | 1 | 0.004 | |
| Nagoya | 2 | 0.06 | | 3 | 0.007 | | 4 | 0.008 | |
| Fukuoka | 2 | 0.003 | | - | - | | - | - | |
| Japan total[^] | 126 | 6.9 | 0.05 | 91 | 2.5 | 0.03 | 96 | 4.5 | 0.05 |
| Main Board | 4 | 1.0 | | 3 | 0.4 | | - | - | |
| Catalist | 5 | 0.04 | | 8 | 0.04 | | 6 | 0.04 | |
| Singapore total | 9 | 1.0 | 0.12 | 11 | 0.4 | 0.04 | 6 | 0.04 | 0.01 |
| Malaysia | 29 | 0.7 | 0.02 | 35 | 0.8 | 0.02 | 32 | 0.8 | 0.03 |
| Indonesia | 48 | 2.6 | 0.05 | 55 | 2.1 | 0.04 | 77 | 3.5 | 0.05 |
| Thailand | 38 | 3.8 | 0.10 | 40 | 3.3 | 0.08 | 40 | 1.3 | 0.03 |
| Korea | 129 | 16.8 | 0.13 | 136 | 12.8 | 0.09 | 159 | 3 | 0.02 |
| Australia | 251 | 18.7 | 0.07 | 90 | 0.8 | 0.01 | 32 | 0.6 | 0.02 |

* included J-REIT

[^] the offering value included global offering

PwC — Chinese mainland, Hong Kong SAR and Macau SAR

PwC Chinese mainland, Hong Kong SAR and Macau SAR work together on a collaborative basis, subject to local applicable laws. Collectively, we have over 800 partners and more than 20,000 people in total.

We provide organisations with the professional service they need, wherever they may be located. Our highly qualified, experienced professionals listen to different points of view to help organisations solve their business issues and identify and maximise the opportunities they seek. Our industry specialisation allows us to help co-create solutions with our clients for their sector of interest.

We are located in these cities: Beijing, Shanghai, Hong Kong, Shenyang, Tianjin, Dalian, Jinan, Qingdao, Zhengzhou, Xi'an, Nanjing, Hefei, Suzhou, Wuxi, Wuhan, Chengdu, Hangzhou, Ningbo, Chongqing, Changsha, Kunming, Xiamen, Guangzhou, Shenzhen, Macau, Haikou, Zhuhai and Guiyang.

About China IPO Watch

China IPO Watch surveys all new listings on China's principal stock markets and market segments. All of the graphs, tables, and data used within this publication have been collated or extracted by the Capital Market Services practice research team. In collating and extracting this information, we rely upon data provided directly by various exchanges, and extracted from the World Federation of Exchanges website. We do not carry out any confirmation or verification procedures on that information.

Capital Market Services practice

The Capital Market Services practice is part of the Assurance practice of PwC. It is comprised of a core team of specialists who provide a broad range of services to companies and/or investment banks and investment funds in connection with all aspects of capital market transactions. These include preparation for becoming a public listed company, selecting the right market and advisory team, advising on group restructuring, accounting and regulatory issues, acting as reporting accountants, and post listing reporting matters.

The China Capital Market Services practice is part of the PwC global network of capital markets specialists.

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How can PwC help?

Going public is a major challenge for any company and there are many decisions that will need to be taken prior to an IPO. Management will need to steer the company through a complicated and often time-consuming process in order to be ready for an IPO. Planning and good preparation are crucial for a successful flotation. It's not simply a question of appointing advisors but about ensuring that the company is ready to be listed on the public markets and that it is able to meet the challenges that such a listing brings. If you are planning on listing, there will be many questions you will want to ask. These are just some of the questions we will be able to help you find answers to:

- What is an appropriate valuation for my business?
- What does being a public company really mean?
- How long will it take to complete an IPO?
- Do we have the right resources?
- Are my people ready?
- How to implement a share-based compensation plan?
- Do we have an attractive story for potential investors?
- What is the best way to articulate our strategy?
- What are the corporate governance issues we need to address?
- What are the internal control procedures we need to implement?
- How many non-affiliated/independence directors should we have on the board?
- What are the implications of a concurrent offering of shares to sophisticated investors in the US (via 144A) or elsewhere (via Reg S)?
- How do our accounting policies compare with other companies in the sector?
- Is my finance function ready?
- Are my operations run and managed effectively?
- What additional disclosures will we need to provide as a public company?
- Will it be a problem if one of our subsidiaries has a modified audit opinion?
- Do we need to restate our track record for recent acquisitions and disposals?
- How will an IPO affect our existing incentive arrangements?
- Any other possible listing venues?
- Have we assessed and disclosed our environmental, social and governance (ESG) practices and issues?

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