



Chinese Mainland and Hong Kong IPO markets

2024 Q3 review

3 October 2024

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Contents



Global IPO landscape



A-share IPO market



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Global IPO landscape

Global IPO market: 2024 Q3 highlights

Global major IPO markets maintained momentum, while Asia-Pacific region exhibited disparity.



Geopolitical conflicts



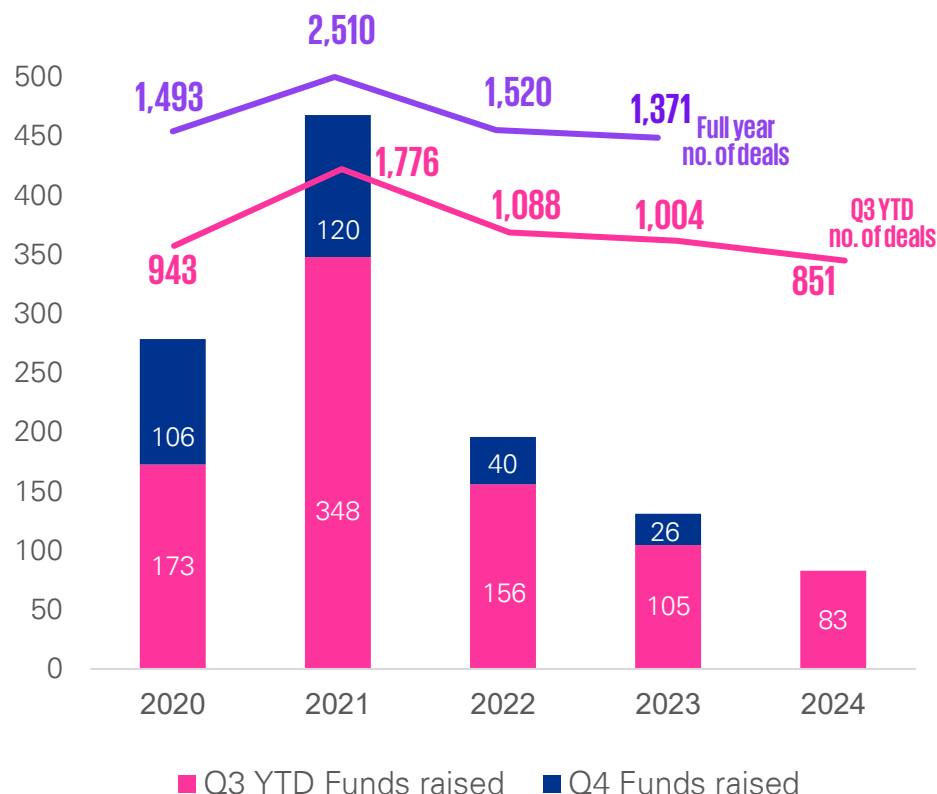
U.S. election



Interest rate cut

5 out of Top 10 IPOs by funds raised are from **Consumer Markets** sector.

Global IPO funds raised (2020 – 2024 Q3) (USD'B)



USD83.3B

Total Funds Raised

▼ ~20% compared to 2023 Q3 YTD



851

Completed IPOs

▼ ~15% compared to 2023 Q3 YTD



8

Deals with fund raised >USD 1B

▼ 4 IPOs compared to 2023 Q3 YTD



USD97.9M

Average Deal Size

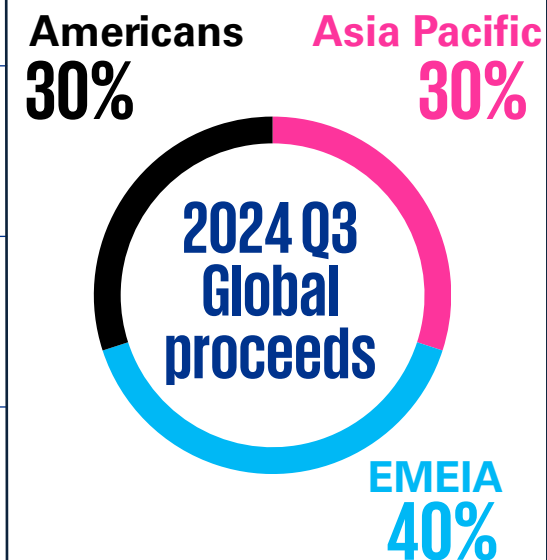
▼ ~5% compared to 2023 Q3 YTD

(1) Analysis based on actual data as at 23 September 2024.

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

2024 Q3 YTD Global IPO Rankings

	2024 Q3 YTD	2023 Q3 YTD	FY2023
1st	NASDAQ Stock Exchange USD 14.4B	Shanghai Stock Exchange USD 28.7B	Shanghai Stock Exchange USD 31.3B
2nd	New York Stock Exchange USD 12.4B	Shenzhen Stock Exchange USD 19.8B	Shenzhen Stock Exchange USD 22.0B
3rd	National Stock Exchange of India USD 8.6B	NASDAQ Stock Exchange USD 10.9B	NASDAQ Stock Exchange USD 12.5B
4th	Hong Kong Stock Exchange USD 7.2B	New York Stock Exchange USD 7.8B	New York Stock Exchange USD 9.8B
5th	Shanghai Stock Exchange USD 7.0B	Abu Dhabi Securities Exchange USD 3.7B	National Stock Exchange of India USD 6.9B



(1) Analysis based on actual data as at 23 September 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 Q4 Global IPO market outlook

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The recent interest rate cut by the US Federal Reserve is likely to have a positive ripple effect on global IPO markets by boosting stock valuations and improving overall market sentiment. However, companies looking to go public should remain cautious due to ongoing macroeconomic uncertainties. While the current market conditions remain mixed, we expect the rate cut to gradually encourage further listings as companies regain confidence in market stability.”



Paul Lau

Partner
Head of Capital Markets and
Professional Practice
KPMG China

Total Funds Raised by Region – 2024 Q3 YTD vs 2023 Q3 YTD

Americas

▲ ~ 45%

Asia-Pacific

▼ ~ 60%

EMEA

▲ ~ 35%



A-share IPO market



A-share IPO market: 2024 Q3 highlights

The A-share IPO market experienced subdued activities due to shifts in the regulatory landscape and a prevailing cautious sentiment among market participants.



RMB86.8B

Total Funds Raised

▼ ~75% compared to 2023 Q3 YTD



85

Completed IPOs

▼ ~70% compared to 2023 Q3 YTD

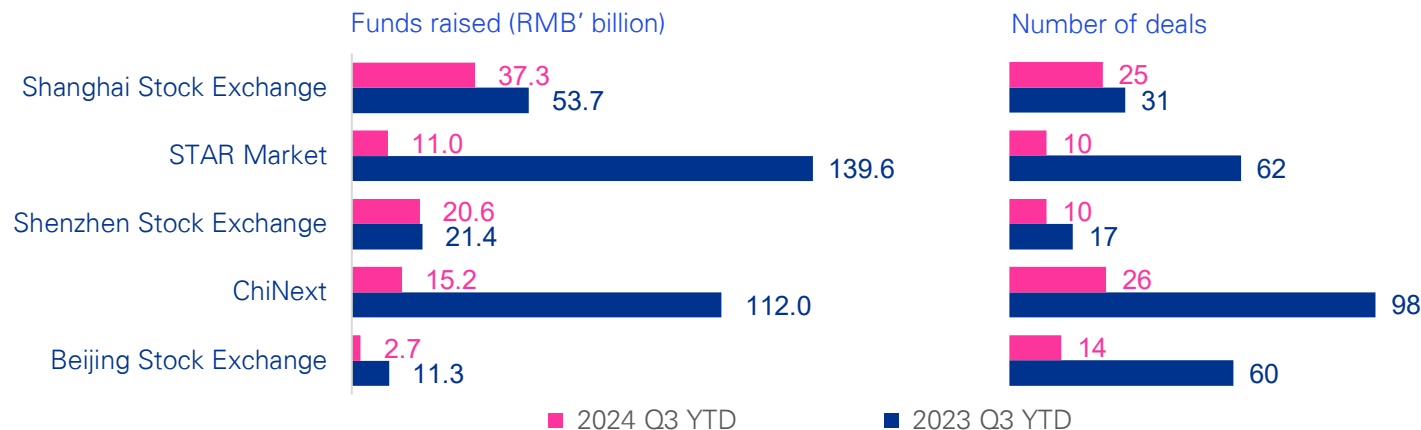


RMB1.0B

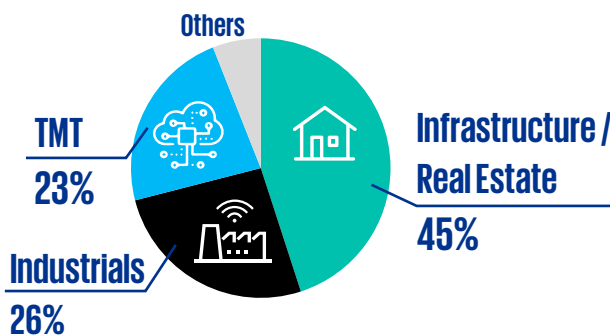
Average Deal Size

▼ ~20% compared to 2023 Q3 YTD

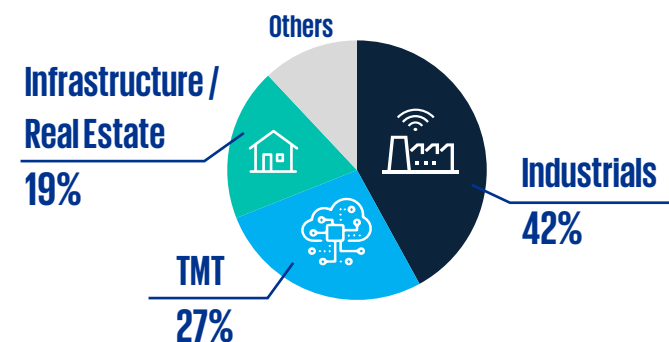
A-share IPO stock exchange distribution



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 30 September 2024, unless otherwise stated
Source: Wind and KPMG analysis



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Top 10 largest A-share IPOs

2024 Q3 YTD	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	China Joy City Shopping Center REIT*	SZSE	3.3	Infrastructure / Real Estate
4	CICC Yinli Consumer Infrastructure REIT*	SZSE	3.3	Infrastructure / Real Estate
5	Guotai Junan Chengtou Kuanting Affordable Rental Housing REIT*	SSE	3.1	Infrastructure / Real Estate
6	Grandtop Yongxing Group Co.,Ltd	SSE	2.4	Industrials
7	HuaAn Bailian Consumer REIT*	SSE	2.3	Infrastructure / Real Estate
8	Solax Power Network Technology (Zhejiang) Co., Ltd.	SSE-STAR	2.2	Industrials
9	E Fund Guangzhou Development Zone High-tech Industrial Zone REIT*	SZSE	2.1	Infrastructure / Real Estate
10	E Fund Shenzhen Expressway REIT*	SSE	2.0	Infrastructure / Real Estate

2023 Q3 YTD	Company	Exchange	Proceeds (RMB billion)	Sector
1	Hua Hong Semiconductor Limited	SSE-STAR	21.2	TMT
2	Semiconductor Manufacturing Electronics (Shaoxing) Corporation	SSE-STAR	11.1	TMT
3	Nexchip Semiconductor Corporation	SSE-STAR	10.0	TMT
4	China Fund Management SPIC New Energy REIT *	SSE	7.8	Infrastructure / Real Estate
5	Shaanxi Energy Investment Co., Ltd.	SZSE	7.2	ENR
6	Baimtec Material Co.,Ltd.	SSE-STAR	7.1	Industrials
7	CSI Solar Co., Ltd.	SSE-STAR	6.9	ENR
8	Huaqin Technology Co., Ltd.	SSE	5.9	TMT
9	Hunan Yuneng New Energy Battery Material Co.,Ltd.	SZSE-ChiNext	4.5	Industrials
10	Jiangsu Xukuang Energy Co., Ltd.	SSE	4.3	ENR

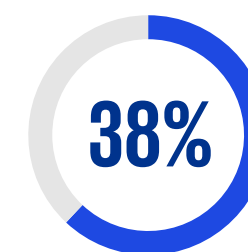
* Refers to real estate investment trusts listings ("REITs")

Note: All analysis is based on WIND data and included REIT deals as of 30 September 2024, unless otherwise stated
Source: Wind and KPMG analysis



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REIT dominated the fundraising in 2024 Q3 YTD, contributing **8 out of top 10 IPO**

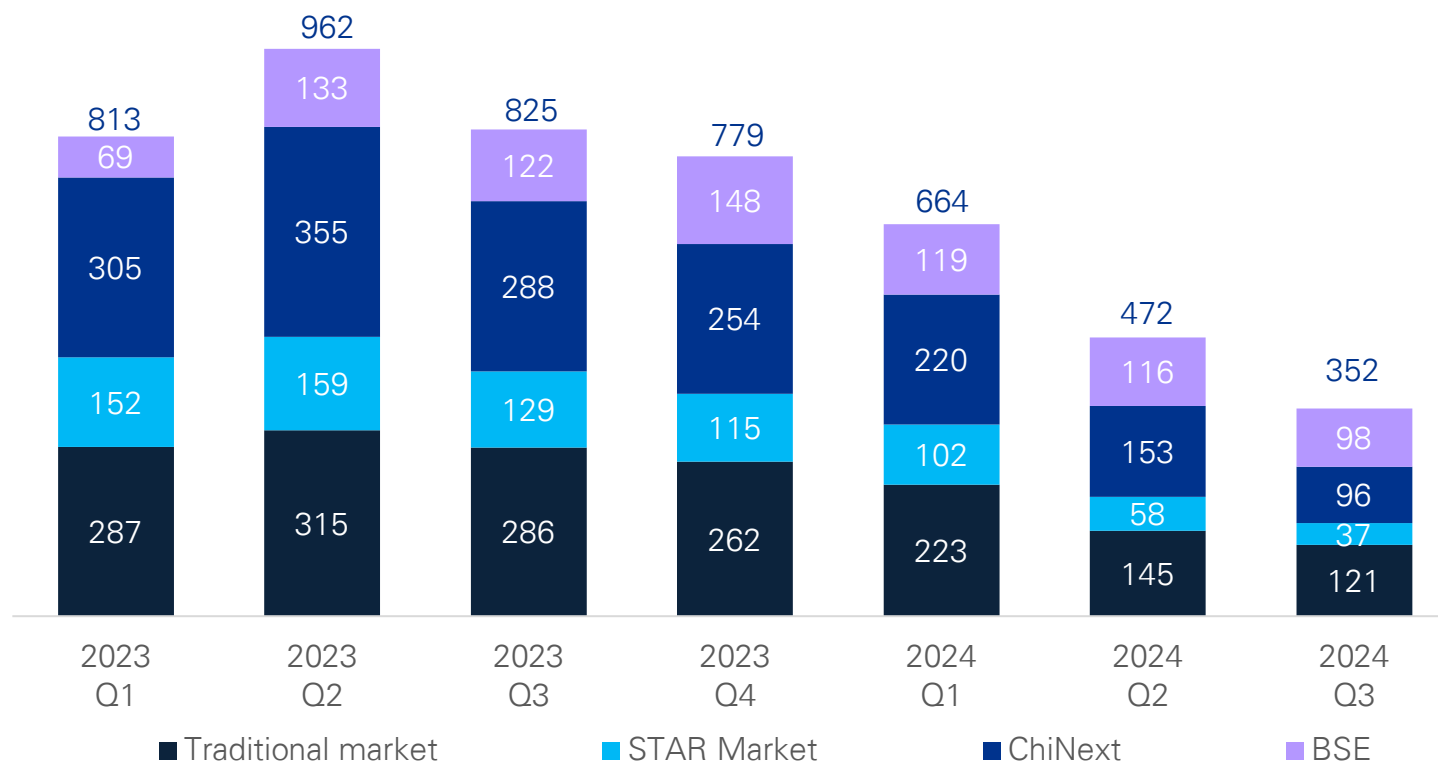


of total IPO proceeds raised by top 10 IPOs in 2024 Q3 YTD

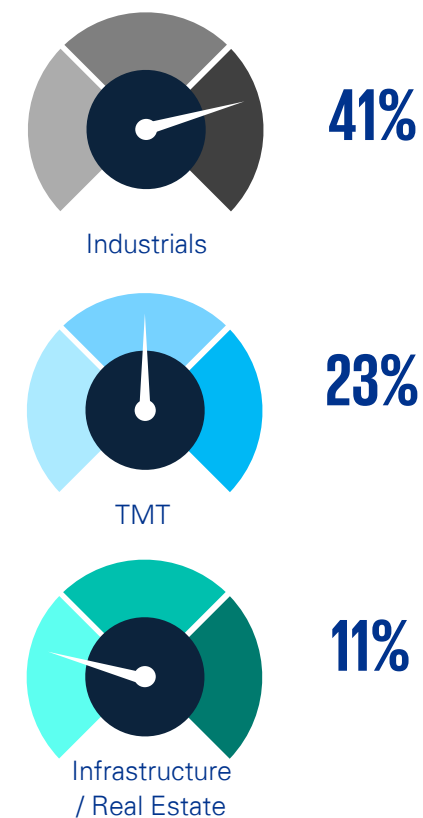
Most of Top 10 largest IPOs by funds raised came from the **traditional market**

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 29 September 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 Q4 A-share IPO market Outlook



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Despite a slowdown in A-share IPO activity, the recent reforms in the STAR market underscore China’s commitment to driving growth in high-tech industries. These reforms, particularly those enhancing M&A flexibility and providing stronger support for early-stage companies, aim to foster a more dynamic environment for technology-driven firms. We expect that, over time, these measures will attract more innovative companies, increasing investor interest and supporting sustained growth.

”



Louis Lau

Partner
Head of Hong Kong Capital Markets Group
KPMG China



Hong Kong IPO market

Hong Kong IPO market: 2024 Q3 highlights

Hong Kong IPO activity is picking up, with the largest IPO in 3 years listed during the quarter.

HKD55.6B

Total Funds Raised

▲ ~120% compared to 2023 Q3 YTD

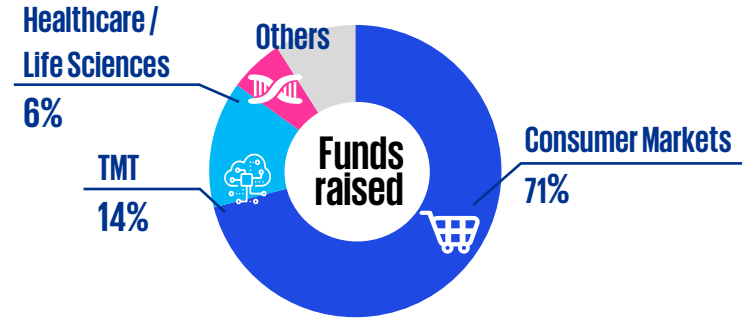
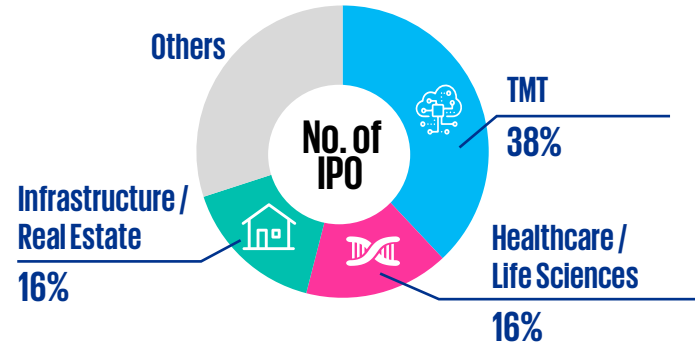
45 Completed IPOs
Similar as compared to 2023 Q3 YTD

HKD1.2B

Average Deal Size

▲ ~120% compared to 2023 Q3 YTD

HK IPO sector distribution



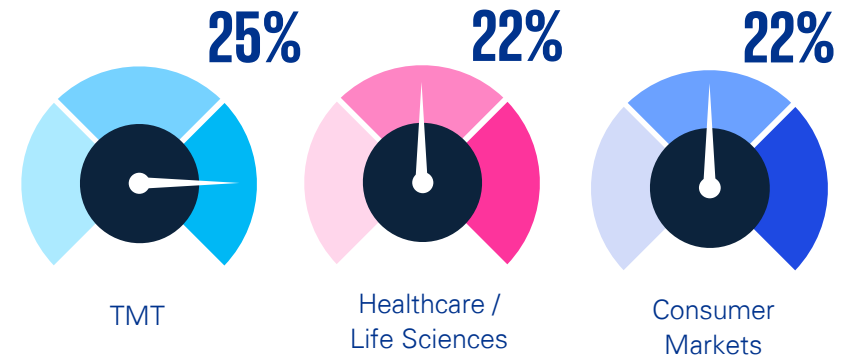
Number of active HK IPO applicants

(As at 30 September 2024)



Top 3 active HK IPO applicant sectors

(As at 30 September 2024)



Note: All figures are as of 30 September 2024, included listing by introduction, and excluded SPAC deals and GEM transfer
Source: HKEx and KPMG analysis

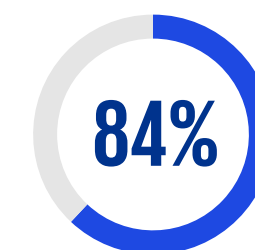
Top 10 largest Hong Kong IPOs

2024 Q3 YTD	Company	Proceeds (HKD billion)	Sector
1	Midea Group Co., Ltd.	35.7	Consumer Markets
2	Sichuan Baicha Baidao Industrial Co., Ltd.	2.6	Consumer Markets
3	Cirrus Aircraft Limited	1.5	Industrials
4	Robosense Technology Co., Ltd.	1.1	TMT
5	Chenqi Technology Limited	1.1	TMT
6	Laopu Gold Co., Ltd.	1.0	Consumer Markets
7	Black Sesame International Holding Limited – P	1.0	TMT
8	QuantumPharm Inc. – P	1.0	Healthcare / Life Sciences
9	Migao Group Holdings Limited	1.0	Industrials
10	Shanghai Voicomm Information Technology Co., Ltd.	0.7	TMT

2023 Q3 YTD	Company	Proceeds (HKD billion)	Sector
1	ZJLD Group Inc	5.3	Consumer Markets
2	Horizon Construction Development Limited	1.6	Infrastructure / Real Estate
3	Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd. – B	1.6	Healthcare / Life Sciences
4	TUHU Car Inc. – W	1.3	TMT
5	Beijing Fourth Paradigm Technology Co., Ltd.	1.1	TMT
6	Beijing SinoHytec Co., Ltd.	1.1	Industrials
7	JF Wealth Holdings Ltd	1.0	Financial Services
8	Beauty Farm Medical and Health Industry Inc.	0.9	Consumer Markets
9	Laekna, Inc. – B	0.8	Healthcare / Life Sciences
10	Neusoft Xikang Holdings Inc.	0.6	TMT

Note: All figures are as of 30 September 2024, included listing by introduction, and excluded SPAC deals and GEM transfer
Source: HKEx and KPMG analysis

The **largest IPO** by funds raised came from **Consumer Markets** in both 2023 and 2024 Q3 YTD



84% of total IPO proceeds raised by top 10 IPOs in 2024 Q3 YTD

More IPOs from **TMT** sector ranked among top 10 largest IPOs in 2024 Q3 YTD



2024 Q4 HK IPO Market Outlook

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Hong Kong's recent completion of its largest IPO in the last three years signals the return of confidence and interests of investors. The agility of listing authorities, combined with the recent interest rate cut and Chinese government's stimulus measures, have further supported the market recovery. Looking ahead, these favourable conditions are expected to drive a sustained increase in IPO activity, positioning Hong Kong as a hub for high-growth companies.”

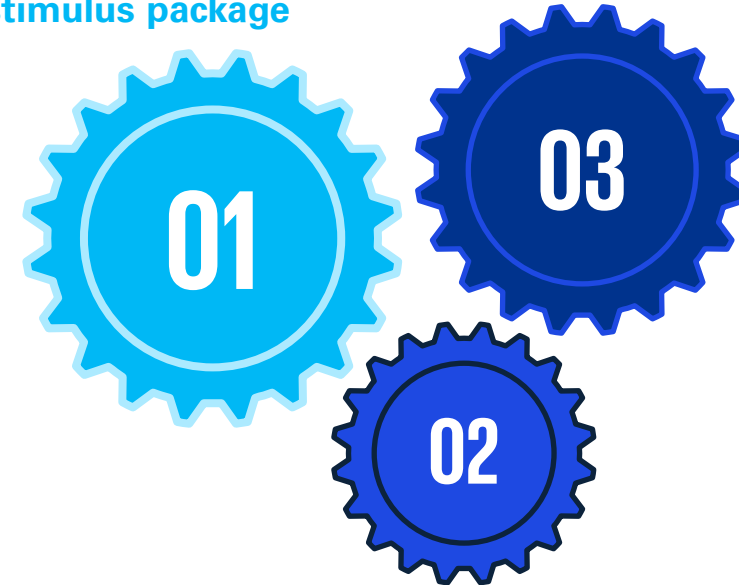


Irene Chu

Partner
Head of New Economy and Life Sciences
KPMG China

**Government
stimulus package**

Healthy IPO pipeline



**Modifications on
certain listing
requirements**

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