

Chinese tech IPOs to watch in 2024: global fast-fashion online retailer Shein leads the pack

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A handful of Chinese technology start-ups are poised to pursue an initial public offering (IPO) during 2024 or early 2025, with most of these firms looking to make their trading debut in Hong Kong.

The most high-profile enterprise in this group is China-founded e-commerce firm Shein, the world's second-highest valued tech start-up behind Elon Musk's SpaceX, which is expected go public in the next 12 to 18 months, according to a list compiled by market intelligence firm CB Insights.

Six companies based in mainland China were on the list. By contrast, there are 153 potential IPOs from companies in the United States and 31 from India, according to CB Insights data.

While most of the Chinese start-ups plan to float their shares in Hong Kong, Singapore-based Shein has reportedly filed for an IPO in the US and was also in talks to go public in Britain.



People shop at Shein's holiday pop-up store inside the Forever 21 branch at Times Square in New York City on November 10, 2023. Photo: Reuters

“China’s tech companies face strong headwinds in the form of the country’s stringent regulatory stance on tech and its fraught relationship with foreign economic powers like the US,” CB Insights said in its report.

Chinese tech unicorns like Ant Group, the financial technology affiliate of Alibaba Group Holding, and TikTok owner ByteDance did not make it to the CB Insights list owing to regulatory uncertainties.

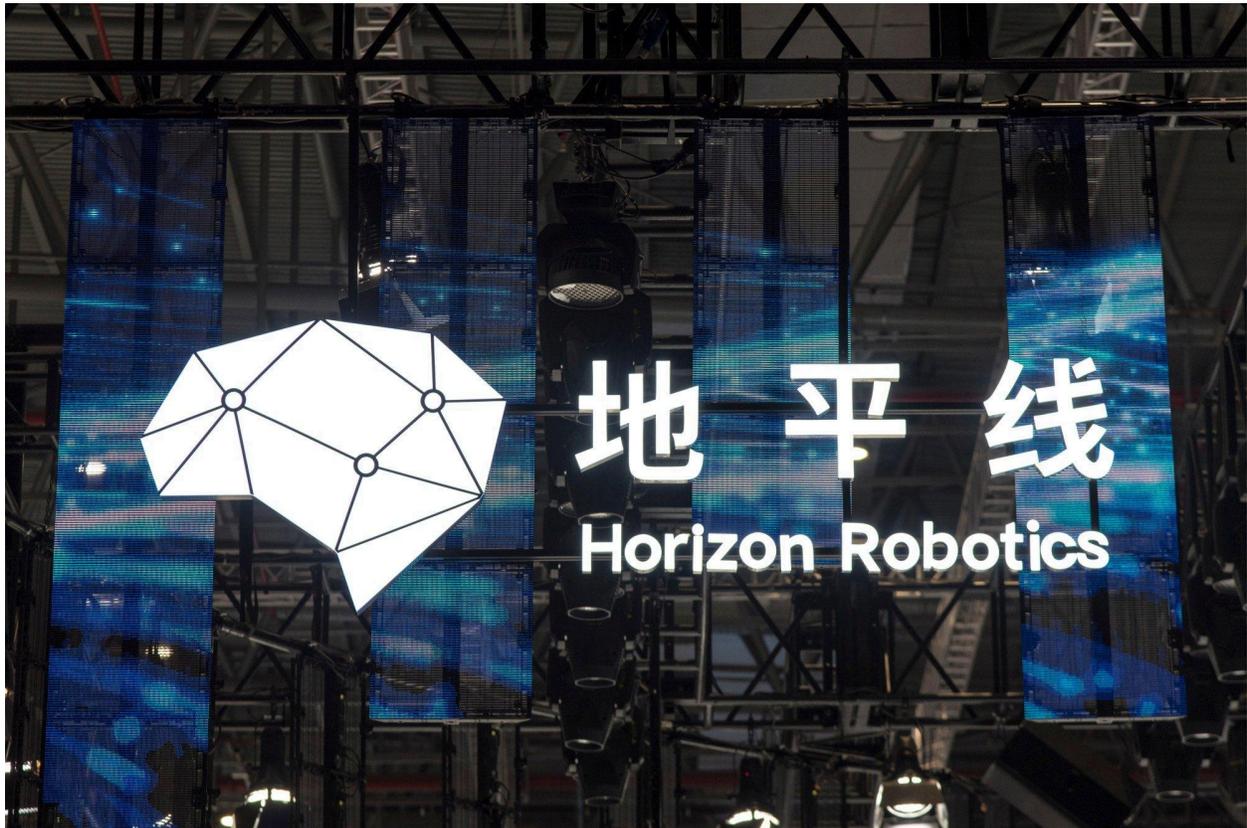
“In China, what’s going to happen is that you’ll have two groups of companies,” said Drew Bernstein, co-founder and co-chairman of accounting firm Marcum Asia, which has been an auditor and adviser for Chinese companies since 1999.

“One group is going to be considered security sensitive, and they have to go public in the local markets, inclusive of Hong Kong,” Bernstein said. “The other group can go public outside China with government permission.”

Why US teens are going wild over Chinese fast-fashion site Shein

Shein has confidentially filed for a US IPO, according to a Reuters report in November. It is expected to become the most valuable China-founded company to go public in the US since ride-hailing giant Didi Global's trading debut in 2021 at a US\$68-billion valuation.

The firm has also held talks with the London Stock Exchange for a possible public listing, according to a Sky News report earlier this month.



The logo of Horizon Robotics is seen during the 20th Shanghai International Automobile Industry Exhibition at the National Exhibition and Convention Centre in Shanghai on April 25, 2023: Photo: VCG/VCG via Getty Images

Horizon Robotics

The Beijing-based artificial intelligence and semiconductor start-up has shifted its proposed IPO venue from the US to Hong Kong owing to Beijing's increased scrutiny of overseas listings, according to a Bloomberg report in 2021.

That move was prompted by the action taken by Beijing against Didi Global after its public listing in New York in July that year. China's internet regulator initiated a cybersecurity investigation into the company, which was concluded when the ride-hailing firm was slapped with a US\$1.2-billion fine about a year later.

“Didi was a big deal and that’s perhaps one of the reasons you’re not seeing a lot of IPOs [by Chinese companies],” Marcum Asia’s Bernstein said.

In the first six months of this year, there were only 66 technology and media firms based on the mainland that went public, down from the 124 that completed IPOs in the second half of 2022, according to consultancy PwC.

Lalatech Holdings

Also known as Huolala on the mainland, Lalatech is the parent company of on-demand logistics and delivery service Lalamove. The company in November renewed its bid for a Hong Kong IPO after initially filing a listing application in the city in March.

In June 2021, Lalatech confidentially filed to sell shares in the US, with an aim to raise US\$1 billion.

Hozon Auto

Founded in 2014, Chinese electric vehicle (EV) maker Hozon Auto has hired China International Capital Corporation and Morgan Stanley to work on its Hong Kong IPO, according to a Reuters report in September.

Chehaoduo

Backed by SoftBank Group Corp and Sequoia Capital China, automobile trading platform Chehaoduo was weighing a Hong Kong listing as early as 2021, according to a Bloomberg report at the time. The company denied that report, but has not provided an update since.

Yuanfudao

Online education start-up Yuanfudao in October announced a new US\$2.2 billion funding round that put its valuation at US\$15.5 billion. Although China’s education sector had been hit hard by Beijing’s crackdown on private tutoring, the industry saw its first IPO when services provider Fenbi listed in Hong Kong earlier this year. Fenbi, which caters to adult education, was spun off from Yuanfudao in 2020.

China’s WeDoctor prescribes digital cure for healthcare, eyes IPO

4 Jun 2020

WeDoctor

Tencent Holdings-backed healthcare solutions platform WeDoctor revived its IPO plans in January, with an eye on either a Hong Kong or US listing, according to a Bloomberg report. The company had filed an IPO application in Hong Kong in 2021, but it lapsed.

Taoche

Second-hand car marketplace operator Taoche, another Tencent-backed start-up, was not covered by the CB Insights IPO list, but a recent Bloomberg report said it was considering an IPO by 2024, with the US among potential listing venues.

Avatr Technology

EV manufacturer Avatr Technology is a joint venture between Chongqing Changan Automobile, Huawei Technologies and EV battery giant Contemporary Amperex Technology. The firm was said to be considering a Hong Kong IPO past next year to 2025, Chinese media Cailianshe reported this month.