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Hong Kong, driven by the nation's technology prowess and the city's allure for global capital, is likely to see up to 200 companies going public this year, particularly in emerging sectors, heralding the 'next decade of connectivity'. Luo Weiteng writes.

If what the pundits say is anything to go by, Hong Kong could be on track for another bumper year of listings and keep its coveted crown as the world's top fundraising venue in 2026.

But stiffer competition will be the name of the game as investors become more fastidious about what, how much and where they're going to plow their money into.

Whatever the impediments may be, stock gurus are keeping their chins up, joining the chorus of optimism that Hong Kong's benchmark Hang Seng Index still has room to run.

Banks and advisers, including UBS and KPMG, are seeing more than HK\$300 billion (\$38.6 billion) up for grabs this year for close to 200 companies seeking to list in Asia's premier financial hub, buoyed by a strong pipeline of over 300 candidates as of December last year. This would build on nearly HK\$280 billion raised in 2025 — a year that vaulted the city back to the top spot in the global initial public offering league table for the first time since 2019.

"Hong Kong had proved itself as a behemoth for global capital formation in 2025 and, with the backing of global hedge funds, that looks set to continue," says Robin Harris, head of APAC at Ocorian — a global asset servicer to asset managers and owners.

"Hedge funds may be the first to interpret the forecasts, but it hasn't taken long for others to follow and bask in the warm glow of Hong Kong Exchanges and Clearing's success."

Bonnie Chan Yiking — chief executive officer of HKEX, which runs the city's bourse — points to China's "DeepSeek moment" as a strong signal of the nation's prowess in frontier technologies that provide a key "push and pull" for Chinese enterprises from a broad spectrum of sectors making a beeline for the special administrative region.

The SAR's capital market is becoming structurally more "inclusive" of emerging sectors like artificial intelligence, renewable energy, biotech and digital consumption, aligning with China's AI ambitions, advances in biotechnology, and efforts to boost domestic demand.

Hong Kong hosted 19 "A+H" listings last year — the highest number on record — heralding what Chan sees as the "next decade of connectivity". Four of the world's biggest IPOs of 2025 are Hong Kong-based, including Contemporary Amperex Technology, the largest maker of electric-vehicle batteries, which reeled in \$5.3 billion.

"A+H listings offer the best of both

worlds as they benefit from international and domestic capital, and send a message that the company is globally oriented and ambitious for growth," says Harris. "Growth is exactly the point."

As Chinese mainland companies fuel the frenzy with gargantuan deals to power their global expansion plans, Edward Au Chun-hing, southern region managing partner of Deloitte China, sees 2026 as a pivotal year for more "A+H" listings, as well as deals from the high-technology and new economy sectors.

However, he says while at least seven heavyweight IPO candidates, each seeking to raise more than HK\$10 billion, are expected to debut this year, the prospects of Hong Kong preserving its IPO crown remain to be seen. United States markets loom as formidable competitors, with Elon Musk's rocket-manufacturing enterprise, SpaceX, eyeing a listing of over \$30 billion, probably this year, in what could be the largest IPO of all time.

At the end of the day, the broader stock market will be crucial in determining how long the IPO boom will be as investors are likely to be more price-cautious and selective before taking the plunge.

The Hang Seng Index closed the Year of the Snake with a return of nearly 28 percent, outperforming global peers and delivering what Hang Seng Index Company describes as "the best year since 2017". In comparison, the MSCI World is up more than 19 percent, while the S&P 500 has gained over 16 percent.

Valuation trends

"It should be noted the rally was mostly driven by valuation normalization, with a handful of blue-chip stocks, including Tencent and Alibaba, contributing nearly 70 percent to the gains," says Kevin Liu Gang, managing director and chief offshore China and overseas portfolio strategic analyst at CICC Research.

With the price-to-earnings ratios of the HSI and the Hang Seng Tech Index now back near historical averages, Kenny Ng, securities strategist at Everbright Securities International, says he believes valuation recovery remains within a reasonable range, and there's still room to catch up.

"The outperformance of Hong Kong stocks in 2025 can be seen as excessive liquidity chasing a limited pool of assets," says Liu. "Such logic is here to stay this year."

That scarcity, however, rotated rap-

idly across sectors over the course of 2025. Internet-related companies led the rally in the first quarter of last year, followed by new consumption plays in the second quarter and innovative drugmakers in the third, before interest swung back to large-cap internet stocks towards year-end, according to Liu.

"Highly sought-after themes, such as AI, may remain a magnet for capital this year, but expectations are already high," he notes, warning against renewed fears of AI bubbles that sent jitters across US markets and a fresh bout of geopolitical uncertainties.

Harris interprets Hong Kong's IPO spree in 2025 as an indicator of broader economic and market trends where the US is "in tentative recovery, and Europe sits in stasis, while Asia is growing and is harnessing industry, innovation and an increasingly global outlook to profit massively and develop global leaders in key fields."

As the striking of the gong continues to resonate across the trading halls of Hong Kong's bourse, and tends to get louder each time, the city's resurgence as the globe's top IPO spot points to itself sitting within a broader rebalancing of global capital, and investors increasingly looking beyond a narrow set of markets towards Asia's growth and industrial upgrading.

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Focus is on creating a global tech hub

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Hong Kong is "changing gear" in developing technology at a pivotal moment as it seeks to build itself into an international innovation and technology center, says Duncan Chiu, who was reelected to represent the technology and innovation functional constituency in the city's legislature last month.

"We have long been strong in applied technology," he says. "But, recently, we've been pulling government and policy resources to migrate from just application to research and innovation."

The transition also aligns with the nation's priorities for the 15th Five-Year Plan (2026-30). Chiu says he believes one key direction for China's technology sector is the development of research-based technologies. "We have to look at the core technology and innovations

instead of the

application side," he says.

The legislator, who also serves as president of the Hong Kong Information Technology Joint Council, says funding from public and private sources has traditionally favored projects that generate short-term returns.

However, the special administrative region government has rolled out various initiatives to plug the early-stage funding gap for startups, including the Research, Academic and Industry Sectors One-plus Scheme and the New Industrialisation Acceleration Scheme that aim to attract long-term capital and steer more professional investors toward nascent projects.

The SAR authorities also launched the HK\$10-billion (\$1.28-billion) Innovation and Technology Industry-Oriented Fund in 2025.

Chiu expects to see the funds going to the market in 2026 to catalyze further market investment, and support early-stage innovative projects from universities, research institutions, and project teams in Hong Kong.

According to the Innovation and Technology Commission of Hong Kong, total funding exceeding HK\$54.8 billion had been approved for more than 80,000 projects by September last year.

"We can see the snowball starting to roll," says Chiu.

Another aspect of the change, he says, is "the recognition of science to be a very important stage in academics." "We will not have all the top students applying only for medicine. We want more students to apply for technology or science-related majors in the future."

As for key technology fields in 2026, he cites artificial intelligence, life sciences, blockchain and digital assets. To develop these sectors, however, one challenge to overcome, he believes, is to strengthen

cross-boundary flows within the Guangdong-Hong Kong-Macao Greater Bay Area, including data, talent and sample exchanges.

An ideal region for cross-boundary exchange trials is the Hetao Shenzhen-Hong Kong Science and Technology Innovation Cooperation Zone. The Hong Kong Park of the zone opened in December last year and three buildings are already in full operation, including two wet-laboratory buildings that have attracted over 60 enterprises from the Chinese mainland, Hong Kong and overseas.

The Hong Kong Innovation, Technology and Industry Bureau signed a memorandum of understanding with the national Cyber-space Administration in June 2023 to jointly promote cross-boundary data flow within the Greater Bay Area. By the end of August 2025, about 100 applications for cross-boundary transfer of personal data from different sectors, including healthcare, insurance, and securities, had been processed.

Another concern for many innovation and technology enterprises is land supply.

Chiu says the Northern Metropolis, which occupies about one-third of Hong Kong's total land area, will continue to be a focal point of the city's development strategy this year.

The HKSAR government should expedite the designation of developable sites in the Northern Metropolis by 2026 and identify a list of companies in specific sectors — AI, medical equipment and financial technology — that are willing to expand their presence there.

"We have to bring not just one, but a field of leading companies to Hong Kong," with the goal of creating a synergistic effect by drawing specific industries to the Northern Metropolis, Chiu says.

