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<https://www.wsj.com/articles/china-mobile-makes-debut-in-shanghai-after-9-billion-stock-sale-11641377290>

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# China Mobile Makes Debut in Shanghai After \$9 Billion Stock Sale

Cellphone carrier was booted from the New York Stock Exchange after it was added to U.S. investment blacklist



China Mobile's newly listed shares traded at more than a 40% premium to the price of the company's existing Hong Kong-listed shares.

PHOTO: GUO SHINING/VCG/GETTY IMAGES

By [Rebecca Feng](#)

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Eight months after [China Mobile Ltd.](#) [941 -0.91% ▼](#) was booted from the New York Stock Exchange, the giant cellphone carrier made its debut in Shanghai on Wednesday after raising close to \$9 billion in a blockbuster homecoming listing.

Shares of the state-owned mobile operator closed slightly above their Shanghai stock-offering price of 57.58 yuan, the equivalent of \$9.06, after climbing earlier in the day.

While the first-day move wasn't large, China Mobile's newly listed shares traded at more than a 40% premium to the price of the company's existing Hong Kong-

listed shares, which rose 3.3% on Wednesday.

### Performance of China Mobile's Hong Kong-listed shares



Source: FactSet

That gap reflects how investors in mainland China's market, dominated by individual investors, have attached a much higher valuation to the 24-year-old company. As of Wednesday's market close, China Mobile's market capitalization was more than \$130 billion, according to calculations by data provider Wind.

China Mobile is the country's largest wireless carrier by revenue and subscribers, with more than 950 million customers as of September. The Beijing-based company and two smaller rivals, China Telecom Corp. and China Unicom (Hong Kong) Ltd., had to give up their

U.S. listings in May after they were added to an investment blacklist that bars Americans from investing in Chinese companies alleged to help China's military, and intelligence and security services.

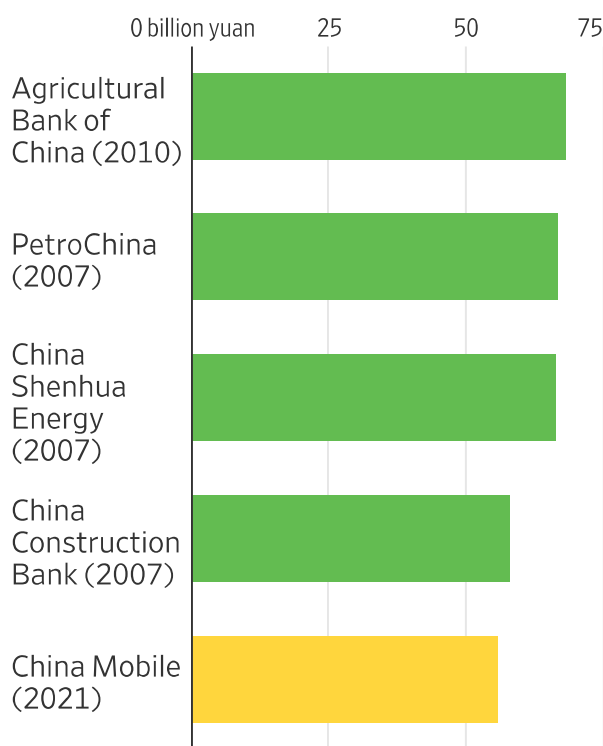
Last month, China Mobile raised the equivalent of \$8.8 billion from its domestic share offering, making it the biggest listing in the Chinese onshore market in the past decade and the fifth-largest ever, according to Wind data. The four larger domestic deals were from state-owned banks and state-owned energy companies in 2007 and 2010.

China Mobile's Shanghai listing was also the world's second largest in 2021, behind that of American electric-vehicle maker Rivian Automotive Inc., which raised \$13.7 billion in a Nasdaq initial public offering in November, according to Dealogic.

The newly listed shares of other blacklisted Chinese companies such as SenseTime Group Inc. and China Telecom Corp. have also climbed following their debuts in Hong Kong and Shanghai, showing how the companies have been able to

## Mainland Debuts

Biggest listings in Shanghai, by funds raised



Note: 10 billion yuan=\$1.57 billion

Source: Wind

raise capital closer to home from investors who are more familiar with their businesses and growth prospects. SenseTime shares have surged since their Hong Kong listing last week and on Wednesday traded at more than 80% above their IPO price.

China Mobile said it would use the proceeds from its recent stock sale to expand its 5G network, cloud infrastructure and smart-home projects. In its blockbuster offering, the mobile operator earlier exercised a green-shoe option, a provision that allows underwriting banks to sell investors more shares than originally planned and provides additional price stability.

Individual investors in China had flocked to the deal, which ended up being vastly oversubscribed.

On Tuesday, a day before China Mobile's mainland market debut, the company said it would buy back no more than 10% of its Hong Kong-listed shares, using up to \$12.6 billion of its own working capital.

China Mobile was founded in 1997 and is incorporated in Hong Kong, making it one of the few red-chip companies whose shares now trade on the mainland. Before last year, only red-chip companies in a selected few industries were allowed to list onshore.

"The A-share listing of this major offshore company suggests China's capital-market reform and opening are well under way, regardless of the China-U.S. relations," said Qi Wang, chief executive officer of MegaTrust Investment (HK), a boutique asset manager specializing in China A-shares.

China Mobile recorded the equivalent of \$102 billion of revenue in the first nine

months of last year, a 13% increase from the year-ago period. Its net profit rose around 7% to \$13.7 billion.

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