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Didi jumps almost 20 percent at opening in New York Stock Exchange debut

- Chinese ride-hailing giant says it increased the number of shares sold by 10 per cent to 316.8 million because of demand
- It is the biggest international listing in the US since Alibaba Group's IPO in 2014

Didi Chuxing, the Chinese ride-hailing giant, debuted strongly on the New York Stock Exchange on Wednesday, demonstrating a continuing appeal to US investors for high-growth investments despite political tensions between Washington and Beijing.

The company, with the ticker symbol DIDI, started trading at US$16.65 a share, a 20 per cent jump from its IPO price of US$14.

It marks the biggest international listing in the US since Alibaba Group's IPO in 2014. Didi raised US$4.4 billion with its initial offering priced at the top of its marketed range at US$14 a share, the company said. The offering was oversubscribed by 10 times, according to Tencent News. The company said it had increased the number of shares sold by 10 per cent to 316.8 million because of strong demand.

Beijing-based Didi, founded in 2012 by Alibaba alum Cheng Wei, is valued at US$70 billion on a fully diluted basis after the IPO. The offering, led by Goldman Sachs, had originally sought to raise up to US$4 billion.

Alibaba owns the *South China Morning Post*.

Didi started its business in ride-hailing and has since branched out to develop and manufacture electric vehicles and autonomous cars. In 2016, it famously drove Uber, its largest competitor, out of the Chinese market.

The blockbuster IPO comes at a delicate time as regulatory hurdles are mounting for Chinese companies tapping the US capital markets.

The tech sector is caught in the middle of the rising tensions as lawmakers warn investors against investments that can help Beijing advance its technology, while investors are eyeing fast-growing firms driven by disruptive or emerging technologies.

Didi told potential investors before the IPO that the legislation and additional rules were risks for shares to underperform or be delisted, according to its IPO document.

“Despite political pressures, there is a clear appetite among both US and Asian investors to get deals done,” said Drew Bernstein of the advisory firm MBP, which focuses on Asian companies. “Given the focus on innovative tech companies” and the fact that “more tech unicorns are coming from Asia”, US investors “are travelling far and wide to search for deals today”.

Late last year, the Holding Foreign Companies Accountable Act became law, meaning Chinese companies listed in the US could be suspended if they fail to hand over audits to US regulators for three straight years.