Governance *in Brief*

April 20, 2023 Edited by: **Martin Wennerström**

Softbank liquidates most of its Alibaba stake

Softbank has reportedly sold around USD 7.2 billion worth of Alibaba shares this year via prepaid forward contracts, causing its stake to drop from almost 15% to 3.8% and Alibaba's share price to falter. Softbank has gradually decreased its stake, which as recently as three years ago was valued at USD 100 billion and represented 25% of Alibaba's share capital. SoftBank has suffered a series of record quarterly losses in past years, on the back of declining valuations of its Vision Fund investments. To raise cash, the Japanese investor has offloaded the entirety of its stakes in several companies, including Uber Technologies in 2022. Currently, Softbank is planning to list UK chip designer Arm in a U.S. IPO which is expected to raise at least USD 8 billion.

Bloomberg | CNBC (1) | CNBC (2) | Reuters | Market Watch | Forbes

WeWork receives listing non-compliance notice

WeWork has received a non-compliance notice from the NYSE after its stock price dropped below USD 1 per share over a 30 trading-day period. The company has six months to regain compliance with the listing standards and thereby avoid delisting. WeWork stock has fallen by 65% so far this year. Earlier this month, WeWork adopted a poison pill aimed at preserving its tax assets. The shareholder rights plan would deter any shareholders from acquiring stakes of more than 4.9%, as this would compromise the company's ability to use its net operating loss ("NOL") carryforwards to reduce tax. As of end 2021, WeWork had approximately USD 6.9 billion of U.S. federal NOLs and USD 6.6 billion of state NOLs.

SEC | WeWork | US News | Yahoo |

NTPC plans IPO for green energy arm

India's largest power producer NTPC Ltd reportedly plans to divest 25% of its green energy arm through a public offering on the Indian stock exchanges next year. The decision comes after a recent tender round for the unit drew 13 expressions of interest but only three actual bids. In March, Malaysia's Petronas withdrew its USD 503 million bid for a 20% stake in NTPC Green Energy Ltd, reportedly due to the stake being too small and not entitling Petronas to a board seat. NTPC is reportedly planning to use the funds raised via the IPO to expand its non-fossil business.

Business Today | Economic Times | Business Insider | Reuters | Nasdaq

Chinese IPOs surge under new listing regime

The first batch of IPOs under China's newest listing reform surged on the Shanghai and Shenzhen main boards. Electronics distributor Shenzhen CECport Technologies Co. led the gains, jumping as much as 239% on its debut. In February, China completed the implementation of a new registration-based IPO system aimed at streamlining listings. Under the new system, companies no longer need approval from the China Securities Regulatory Commission to list on a stock exchange in mainland China. Instead, it is the stock exchanges' responsibility to determine whether companies meet disclosure and stock issuance listing criteria. Additionally, no daily trading limit is set for IPO shares during their first five trading days.

China Briefing | Bloomberg | Asia Financial | Market Screener | Nikkei |