A series of quick comments on the opportunities, risks and trends observed by Pictet's Thematic Private Equity – Technology team

90-sec tech check: China shows the way for LLM listings

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WHAT'S HAPPENING?

Away from media attention over potential initial public offerings (IPOs) for OpenAI and Anthropic later this year, **the world's first listings of large language models** (LLMs) – the neural networks that fuel artificial intelligence (AI) – actually **occurred in China this month**.

Knowledge Atlas Technology (known as Zhipu or Z.AI) was first, with its retail offering oversubscribed by more than 1,159 times. MiniMax followed soon after, with roughly 420,000 retail investors submitting bids in a flotation 1,848 times oversubscribed, demonstrating the scarcity in these high-growth AI assets and paving the way for other AI listings in 2026.

Unlike some 'hot' IPOs, both stocks have stayed strong since. Zhipu is now 65% above its offer price at a circa $11bn market cap, and MiniMax 128% higher at circa $15bn (as of 23 January 2026), generating meaningful gains for their early venture-capital backers.

WHAT ARE THE INVESTMENT IMPLICATIONS?

After DeepSeek broke through into mainstream conversations almost a year ago, these IPOs demonstrate that **China remains a serious contender in the AI race** despite having no access to Nvidia's frontier chips. Instead, a deep engineering talent pool, research capabilities, and a separate internet ecosystem give China a unique edge to go head-to-head with the US on the AI across both model (especially in open-source) and software layers. The country is also scaling data centres at unmatched speed (including via vast investments in its electricity infrastructure): China is only around 15% behind the US in exaflop deployment, and 5-6 times ahead of the next largest competitor (the UK). **These edges should mean China can sustain this flow of exciting AI companies**.

For private equity investors specifically:

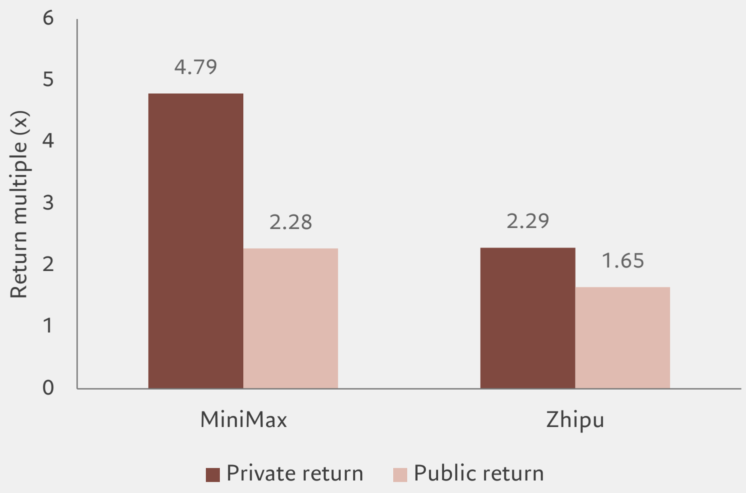
- The Hong Kong Stock Exchange is clearly a favoured tech listing venue, and is among the world's top bourses by volume. Since 2024, it and China's mainland market have hosted around twice as many **unicorn IPOs** as the US.
- As encouraging as this exit route is, it's also not the only option for private investors to crystalise value. The strength of China's innovative companies, human capital, and their expertise in the global market also make them **highly attractive to strategic buyers**, with for example Meta in December making Manus (established in China by Chinese engineers before relocating to Singapore) its first AI-native acquisition for $2bn, Manus having reached $100m in annual recurring revenues within only nine months.

We therefore see **a compelling case for including China in a private equity technology strategy**, in partnership with experienced local investors, to benefit not just from its **diversifying characteristics** but also its current proliferation of opportunities and their long-term prospects as **high-growth engines in a high-growth segment**.

Visualising the story

The early returns to shareholders in China's AI stocks have been impressive, but – even on very conservative assumptions – **far higher gains have accrued to private equity investors**.

Source: Pictet Alternative Advisors, as of 23 January 2026. N.B. Private return calculated based on valuation as of quarter *before* IPO, so materially *understates* performance. Past performance is not a reliable indicator or guarantee of future results, and no representation or warranty, expressed or implied, is made by Pictet regarding future performance.



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