



澳門大學  
UNIVERSIDADE DE MACAU  
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## Faculty of Business Administration

**SEMINAR SERIES No. 15/1112**

*Finance*

**“Overseas Listing as a Policy Tool: Evidence from  
China’s H-shares”**

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### **Abstract**

We investigate why the Chinese government chooses to share-issue privatize (SIP) its state-owned enterprises (SOEs) in Hong Kong despite the benefit of facilitating domestic stock market development if SIP in China (Subrahmanyam and Titman, 1999) and the higher cost to list in Hong Kong. We address this issue by arguing that the positive effect of SIPs on the development of the domestic market may have limitations, especially when the domestic market is not well developed and cannot absorb rapid and large-scale SIP activities. To maintain domestic market order, it may be optimal to carry out a SIP in overseas markets. Furthermore, by listing shares in developed overseas markets, SOEs from the less developed countries could leverage on overseas markets’ better accounting, governance, and legal standards. By examining a sample of 92 Chinese firms listed in Hong Kong and the relevant control samples of purely domestically-listed Chinese firms during the period 1993-2006, we find supporting evidence for both arguments.

**Date:** March 9, 2012 (Friday)

**Time:** 16:00 – 17:30

**Venue:** JM22

**ALL ARE WELCOMED**

## **A Short Biography of Professor Qian Sun**

Prof. Sun holds a PhD in Finance from Arizona State University. Before joining Fudan University, he was associated professor at Nanyang Technological University and full professor at Xiamen University. His major research areas include international finance, corporate finance, emerging market, and China financial market. Prof. Sun's publications appear on many excellent international journals in finance, including Journal of Financial Economics, Journal of Corporate Finance, Journal of Empirical Finance, Journal of Banking and Finance, Financial Management, and so on. Prof Sun is also very active in the academic area, and he is also a board member of Asian Finance Association.