

NORTHERN ILLINOIS UNIVERSITY

Initial Public Offering Performance of Chinese Stocks in the U.S.:

**A Thesis Submitted to the
University Honors Program
In Partial Fulfillment of the
Requirements of the Baccalaureate Degree
With Upper Division Honors**

Department of

Finance

By

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May 13th, 2017**

University Honors Program
Capstone Approval Page

Capstone Title (print or type)

The Initial Public Offerings Performance of Chinese Stocks in the U.S.

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Department of (print or type) Finance

Date of Approval (print or type) 05/08/2017

Honors Thesis Abstract

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THESIS TITLE: The Initial Public Offerings Performance of Chinese Stocks in the U.S.

ADVISOR: Yao Zheng

ADVISOR'S DEPARTMENT: Department of Finance

DISCIPLINE: Finance

YEAR: 2017

PAGE LENGTH: 16 pages

BIBLIOGRAPHY:

ILLUSTRATED:

PUBLISHED (Yes or No): No

LIST PUBLICATION:

COPIES AVAILABLE (Hard Copy, Microfilm, Diskette): Hard Copy

ABSTRACT

This study analyzes the Initial Public Offering (IPO) performance of 147 Chinese stocks that went public on the U.S. market from 2000 to 2014. The sample is composed of two distinct groups. The first group of firms (which includes 63 securities) went public in the U.S. between 2000 to 2014 and later exited the U.S market. The second group of firms (which includes 84 securities) went public in the U.S. and still has stocks trading on the U.S market. The study utilizes an event study methodology to examine the short-term IPO performance difference between the two group of stocks. After computing abnormal and cumulative abnormal returns and then comparing the mean, median and t-statistics between the two groups, I found no significant difference between the two groups of stocks.

Introduction

Companies can choose different alternatives such as internal financing, issuing debt and going public via IPO to raise capital (Fitzsimmons). Many companies chose to go public via IPO since it provides companies access to public equity capital and cost company less compared with funding with issuing debt (Eckbo, 2007, P. 378). Other benefits of going public also include making the company known by the public, which will help promote the company's brand image and attract more capital. Besides those benefits, the company must also take on more responsibility such as disclosing additional information and filing specific documents to increase transparency and meet the established rules (Wasserman).

Initial Public Offerings (IPO) refers to a private company issue stocks to the public for the first time to raise capital for themselves (Eckbo, 2007, P. 378). The first day issuing stock price is IPO price. Often, on the Initial Public Offering date, the first day closing stock price tends to ramp up compared to the IPO price when they are first issued, known as IPO underpricing (Wikipedia). IPO underpricing has been studied for years by many financial economists and professors, who focused on the researching possible logistic explanations on IPO underpricing. Researchers has implemented different methodologies including regression analysis, analyzing abnormal returns and cumulative abnormal returns etc. to study IPO underpricing (Ivanaukas). The IPO underpricing also suggests that large amounts of money is left "on the table", the money which the company has not collected during the IPO process (Eckbo, 2007, P. 378).

Many Chinese companies went public via IPO to raise capital after the Chinese stock market was launched in the early 1990s (Wu, 2011). Chinese companies who conformed to certain requirements may choose to issue A shares in either Shanghai Stock Exchange and Shen Zhen Stock Exchange in mainland China or issue H shares in Hong Kong market (Wu 2011). Not long

after the Chinese stock market was established, many Chinese companies seek to go public via IPO in the New York Stock Exchange and Nasdaq in the U.S. market (Wu 2011). The primary reason was that the U.S. stock market was well established and had less restrictive regulations compared with Chinese Stock markets Fuldner). By doing so, those Chinese companies who went public in the U.S. market not only attracted foreign investors to help raise capital but also earned international reputation compared with Chinese companies who only issued their domestic stocks.

This paper examined 147 Chinese stocks IPO performance that went public in the U.S. market. Among 147 stocks, eighty-four of them currently remained in the U.S. market and sixty-three stocks exited the market by 2014. The paper compared those two groups stocks' IPO performance difference by analyzing their summary statistics and t-statistics. The paper also used the event study methodology to compare abnormal return (AR) and cumulative abnormal return (CAR) around IPO date among the two groups of stocks.

This reminder paper proceeds as follows: Section 2 provides a literature review related to the focus of this study; Section 3 describes the data collection process; Section 4 discuss the methodology that was used in this research. Section 5 summarizes empirical results and explain the outcome; finally, Section 6 provides conclusions and implications for future studies.

1. Literature Review

IPO underpricing has been recorded for IPO in the U.S. and many other countries. Prior studies have focused on the short term and long term Initial Public Offering (IPO) performance. Starting with Jay. R. Ritter, he did a study on the long-term IPO performance in 1999. His study analyzed 1,526 sample U.S. stocks 3-year market returns after their Initial Public Offerings by comparing their cumulative average adjusted returns and buy and hold abnormal returns. Ritter

compared the IPO performance of 1,526 common stocks with a control sample of stocks that were the same industry and had similar market value with the studies stocks. He found out that initial public offering tends to be overpriced and underperformed in the long run. Latter studies used event study methodology to analyze IPO performance.

The first published event study may be implemented by James Dolley, who did an event study on stock splits on price effect. He examined 95 stock splits in 1921 and 1931 and found out that most of the stock price went up (Mackinlay 1997). Event study has been developing and improving since then. Over the years, modifications and adjustments has occurred to improve the statistical assumptions and data sample selection on event study to help improve accuracy (Mackinlay 1997). Event studies mostly have been used to analyze the stock market response when publishing new value-relevant information such as analyzing the effect of merge and acquisitions, earning announcements, issuing of new debt and equity (Mackinlay 1997). In addition, event studies can be used to analyze the legal effect on financial and economics. For instance, Mitchell implemented an event study on security frauded cases and illustrate its application in Security and Exchange Admission (Mitchell and Netter 1994).

In 2009, Fei Jiang and Lawrence A. Leger implemented an event study on the impact on Chinese IPO performance of reforming IPO allocation regulations implemented in 2002. This study focuses on 209 Chinese IPOs from 2001 to 2003 and analyzes IPO underpricing and short-run performance by comparing cumulative abnormal returns and buy-and-hold abnormal returns. The study found that the reform may have influenced IPO demand and affect the degree of IPO underpricing.

In this paper, event study methodology is used to study the short-term IPO performance between the two groups of Chinese stocks that went public in the U.S. market between 2000 and

2014 including 63 stocks, which later exited the U.S. market and 84 stocks, which are still currently trading in the U.S. market.

2. Data

The data are retrieved from a series of resources including Bloomberg, CRSP, Fama/French, Nasdaq and Eastmoney. Specifically, the market data including market return and market risk free rate were retrieved from Fama/French. The IPO date, IPO price and first day closing price were collected from other remaining resources. The data scope contains 147 Chinese shares that were listed on the New York Stock Exchange and Nasdaq Stock Exchange during January 1st 2000 to December 31st 2014, of which 84 remained in the U.S stock exchange market and 63 exited the U.S. market. SAS software has also been used for aggregating the market date and calculating abnormal return and cumulative abnormal return.

3. Methodology

First, to get a general review, I observed over all 147 Chinese stocks' mean, median, standard deviation, kurtosis, skewness, minimum and maximum. I also calculated the same summary statistics on the two groups of stocks between 63 stocks which exited the U.S. stock market already and 84 stocks which are still trading in the U.S. market to observe the difference.

Then I did t-test among the two groups of stocks on the average of their offer price, first day closing price, first day return, numbers of shares offered and money left on the table to attempt to analyze if there are any significant difference between those two groups of stocks. The null hypothesis is that the Chinese Stocks that remain in the U.S. market and that exited the U.S. market are the same (Table IV). The First Day return is defined as the change from IPO offering price to the first day closing price as Aggrawal et al suggested (1993) (Table I,II&III).

$$\text{First Day Return} = \frac{\text{First Day Closing Price} - \text{IPO offering price}}{\text{IPO offering price}} \quad (1)$$

The money left “on the table” on the listing date is defined as the difference between the closing price on the first day of trading and the offer price, multiplied by the number of shares sold (Jay R. Ritter 2015) (Table I, II&III)

$$\text{Money left on the table} = \text{Share offered} * (\text{First Day Closing Price} - \text{IPO Offering Price}) \quad (2)$$

After observing summary statistics and t-statistics of those stocks, I implemented the event study methodology to calculate the daily abnormal returns and cumulative abnormal returns to further study if there are significant difference between the two groups of stocks.

Abnormal return is defined as

$$\text{Abnormal Return} = \text{Actual Return} - \text{Expected Return} \quad (3)$$

we need to estimate expected return for each stock, for which we will use market model,

$$R_{it} = \alpha_i + \beta_i R_{mt} + \varepsilon_{it} \quad (4)$$

R_{it} refers to the actual daily return of each stock; α_i is a constant for each stock, β_i is the systematic risk of the stock. R_{mt} is the market return on that day; $(\alpha_i + \beta_i R_{mt})$ together refers to the expected return of the stock and ε_{it} refers to the stocks abnormal return.

Event study methodology provide us a way to find β_i and α_i from the market model. Traditionally, it divides the time line around event date into three intervals ($T_0 - T_1$) as pre-event window, ($T_1 - T_2$) as event windows and ($T_2 - T_3$) as post event windows. The event here refers to the IPO date. Since there are no data available before IPO date, we will not have pre-event window in our model. Therefore, the timeline for this event study is shown as bellows:



Most accessible articles picked the time period from the IPO date to 20 days after IPO as event window (20 days length) and the time period from 20 days after IPO to 60 days after IPO as post event window (40 days length) for studying short-term IPO performance. We used the same time interval here. We will use the post event window as our estimation window to calculate α_i and β_i for each stock for the market model mentioned above. In a typical event study, people usually use pre-event window as the estimate window. However, since there are no listed stock prices before IPO, we will use post event window as our estimation window instead. The parameters α_i and β_i for each stock from event estimation window can be calculate for all 147 stocks. The calculation is done within the SAS software due to its efficiency. After obtaining the data, we will apply them into the market model to calculate the daily expected return for each stock given that we already collected market return and market risk free rate from Fama/French. Then we can apply formula (3) to solve for abnormal return. (Table V)

The last step is to have SAS solve cumulative abnormal return (CAR), which is defined as

$$CAR_i = \sum_{t=1}^T AR_{it} \quad (T = 1 \dots 20) \quad (5)$$

Cumulative abnormal return aggregates the abnormal return during the 20-day event window. It is a way to measure the overall effects on stock prices due to the event initial public offering. After we first calculated each stock's cumulative abnormal return, we then used summary statistics again to observe mean, median, standard deviation, min and max for both abnormal return and cumulative abnormal return on the two groups of stocks including 63 Chinese stocks, which exited the U.S. market and 84 Chinese stocks that are currently trading in the U.S. market.

(**Table V**) In the end, we did t-test on abnormal return and cumulative abnormal return to try to tell that if there is any significant difference between the two groups of stocks on their abnormal returns and cumulative abnormal return.

4. Empirical Results

From our summary of statistics including mean, median, median between the two groups of Chinese stocks between 63 stocks that exited the U.S. market and 84 stocks that remained in the U.S. market, 84 stocks that remained in the U.S. market have a slightly higher average offering price, first day return and first day closing price than 63 Chinese stocks that exited the U.S. market (**Table II and Table III**). However, by further comparing the t-statistics between those two groups of stocks, we found no significant difference between the two groups of stocks except for its first day closing price and first day return. The first day closing price between the two groups is 1.93 and the first day return is 1.67 (**Table IV**), which is slightly greater than the critical value 1.65. The difference may be because U.S. investors have previous insight on Chinese stocks that went public in the U.S. stock market. Investors had better expectations on those stocks that remained in the U.S. stock market than those stocks that later exited the U.S. stock market. Therefore, the difference expectations resulted a slightly higher first closing price and first return for 84 Chinese stocks that remained in the U.S. market than 63 Chinese stocks that later exited the Chinese market.

By comparing the two groups of stocks' abnormal return and cumulative abnormal return, we noticed that 63 Chinese stocks that later exited the U.S. market had a lower abnormal return and cumulative abnormal return on their mean, median and standard deviation. However, after doing the t-test and comparing the t-values, the result shows that t-values are 0.42 and 0.41 for abnormal return and cumulative abnormal return respectively, which shows that there is no

significant difference between these two groups of stocks on their abnormal return and cumulative abnormal return.

5. Conclusion

This study analyzes the Initial Public Offering (IPO) performance of 147 Chinese stocks that went public on the U.S. market from 2000 to 2014. The 147 Chinese Stocks consists of two groups of stocks including 63 stocks, which went public in the U.S. between 2000 to 2014 and exited the U.S later and 84 Chinese stocks which went public in the U.S. and currently are traded in the U.S market. The paper implemented the event study methodology to study the short-term IPO performance difference between the two group of stocks. By computing the abnormal return and cumulative abnormal return and comparing the mean, median, standard deviation and t-statistics among two groups of stocks, we found no significant difference between those two groups of stocks. One of the limitation is that there are only 147 stocks being studied due to time limitation. This study can be further enhanced by choosing a larger sample of stocks to do the analysis and increase its accuracy.

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Table I. Summary Statistics of Chinese IPOs (2000-2014)

This table aggregates all Chinese IPO information regarding the offer price, first day closing price, first day return, number of share offered, and money left on the table.

	Offer Price	First Day Closing Price	First Day Return	Numbers of Share Offered	Money Left on the Table
Mean	13.14	16.65	0.21	17125740.50	90913190.61
Median	12.50	13.35	0.09	8992700.00	8571000.00
Standard Deviation	6.68	14.21	0.47	32779815.32	687937596.12
Kurtosis	32.76	28.34	22.04	52.12	140.77
Skewness	4.50	4.75	3.99	6.40	11.75
Minimum	3.25	3.94	-0.27	1129032.00	-193799984.40
Maximum	68.00	122.54	3.54	320106100.00	8287546929.00
Number of Observations	147	147	147	147	147

Table II. Summary Statistics of Chinese IPOs That Exited the U.S. Market

This table summarizes the statistics of all Chinese firms that exited the U.S. market.

	Offer Price	First Day Closing Price	First Day Return	Numbers of Shares Offered	Money Left on the Table
Mean	12.2	14.07	0.14	14538789.71	22820699.63
Median	11.22	12.5	0.07	9600000	6250000
Standard Deviation	3.91	6.38	0.33	17017194.18	72785123.85
Kurtosis	4.44	1.68	8.31	9.32	6.39
Skewness	1.37	1.28	2.49	3.09	1.78
Minimum	5	4.74	-0.27	1200000	-146125000
Maximum	29	34	1.61	83500000	327096528
Number of Observations	63	63	63	63	63

Table III. Summary Statistics of Chinese IPOs Remaining in the U.S. Market

This table summarizes the statistics of all Chinese firms that remained in the U.S. market after 2014. By comparing Table II and Table III, we see that firms that remained in the U.S. market have both a higher mean and median regarding offer price, first day closing price, and first day return.

	Offer Price	First Day Closing Price	First Day Return	Numbers of Shares Offered	Money Left on the Table
Mean	13.84	18.59	0.27	19065953.60	141982558.85
Median	13.00	14.83	0.11	8563478.50	9967000.00
Standard Deviation	8.11	17.78	0.55	40803272.87	906841787.73
Kurtosis	24.90	18.23	18.70	37.23	81.20
Skewness	4.14	3.98	3.85	5.61	8.95
Minimum	3.25	3.94	-0.22	1129032.00	-193799984.40
Maximum	68.00	122.54	3.54	320106100.00	8287546929.00
Number of Observations	84	84	84	84	84

Table IV. T-test of Chinese IPOs Exited Versus Remaining in the U.S Market

This table uses t-tests to compare Chinese stocks that exited the U.S. market vs. those that remained in the U.S. market. The t-tests show that there is no significant difference between the two groups of stocks as the t-value is less than the critical value of 1.65, except for the first day closing price which is 1.93.

	IPOs Remaining	IPOs Exited	Difference	T-test
Offer Price	13.84	12.20	1.64	1.48
First Day Closing Price	18.59	14.07	4.52	1.93
First Day Return	26.89%	13.83%	13.06%	1.67
Numbers of Shares Offered	19065953.60	14538789.71	4527163.88	0.83
Money Left on the Table	141982558.85	22820699.63	119161859.23	1.04

Table V. Summary Statistics of Abnormal and Cumulative Abnormal Returns for Chinese IPOs Remaining in the U.S. Market and Chinese IPOs that Exited the U.S. Market

This table summarizes the results of the abnormal and cumulative abnormal returns for Chinese IPOs remaining in the U.S. market and Chinese IPOs that exited the U.S. market. The table show that firms that remain in the U.S. generally have higher abnormal and cumulative abnormal returns regarding the mean and median.

	AR	AR	AR	CAR	CAR	CAR
		Remaining	Exit		Remaining	Exit
Mean	0.10	0.23	-0.07	2.03	4.64	-1.49
Median	-0.26	-0.21	-0.33	2.34	4.26	-1.00
Standard Deviation	19.51	20.63	17.88	88.69	94.52	80.75
Kurtosis	50.26	44.46	61.01	0.00	-0.26	0.58
Skewness	0.18	0.96	-1.46	-0.08	-0.08	-0.11
Minimum	-228.90	-181.52	-228.90	-226.88	-215.31	-226.88
Maximum	256.61	256.61	212.12	217.37	217.37	195.99

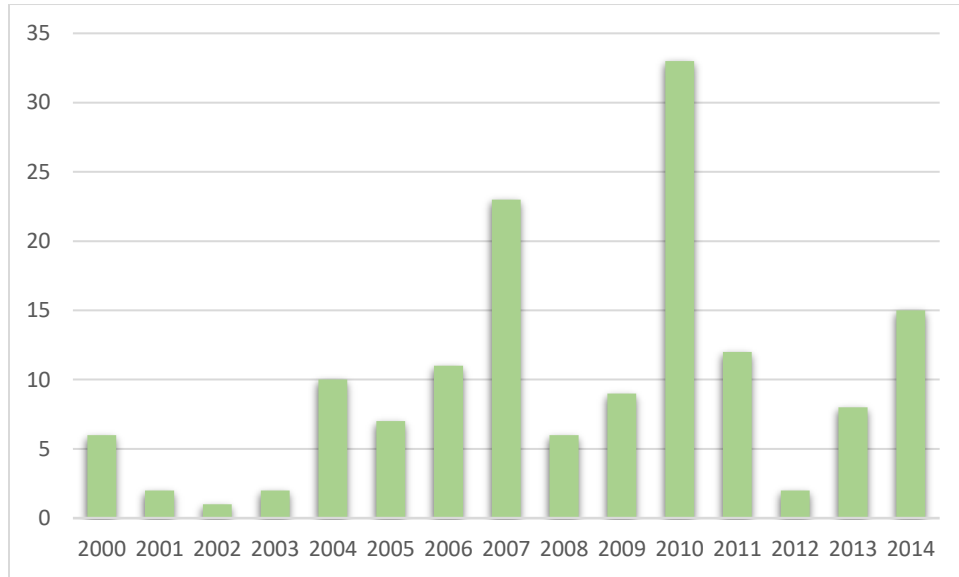
Table VI. T-test for AR and CAR between Chinese IPOs Exited Versus Remaining in the U.S. Market

This table summarizes the t-tests for the abnormal and cumulative abnormal returns for Chinese IPOs that remained in the U.S. vs. those that exited the U.S. market. The t-value 0.42 and 0.41 shows there is no significant difference between the two groups of stocks.

	Mean			T-Value
	Remaining	Exit	Difference	
AR	0.23	-0.07	0.31	0.42
CAR	4.64	-1.49	6.13	0.41

Figure I. Number of Chinese IPOs for Each Year (2000-2014)

The histogram shows the distribution by year of the 147 Chinese stock sample.



Appendix

Chinese IPOs Remaining in the U.S. Market

Ticker	Market	IPO date	IPO (\$)	Shares offered	First Day Closing Price (\$)	First Day Return	Money Left on the table (\$)
UTSI	O	2000-03-03	18.00	10,000,000	68.13	278.47%	\$ 501,250,000
SINA	O	2000-04-13	17.00	4,600,000	20.69	21.69%	\$ 16,962,500
CHU	N	2000-06-21	19.99	11,409,000	22.38	11.96%	\$ 27,267,510
NTES	O	2000-06-30	15.50	4,500,000	12.13	-21.77%	\$ -15,187,500
SOHU	O	2000-07-12	13.00	4,600,000	13.00	0.00%	
OIIM	O	2000-08-23	9.00	4,000,000	20.77	130.73%	\$ 47,064,000
CEO	N	2001-02-27	15.40	82,121,296	16.12	4.68%	\$ 59,127,333
ACH	N	2001-12-11	17.69	23,294,000	18.27	3.28%	\$ 13,510,520
CHA	N	2002-11-14	18.98	14,855,040	17.96	-5.37%	\$ -15,152,141
CTRP	O	2003-12-09	18.00	4,200,000	33.94	88.56%	\$ 66,948,000
LFC	N	2003-12-17	18.68	153,676,475	23.72	26.98%	\$ 774,529,434
SMI	N	2004-03-17	17.50	97,878,780	15.52	-11.31%	\$ -193,799,984
KZ	O	2004-07-09	10.00	10,000,000	10.10	1.00%	\$ 1,000,000
JOBS	O	2004-09-29	14.00	5,250,000	21.15	51.07%	\$ 37,537,500
JRJC	O	2004-10-15	13.00	6,200,000	11.70	-10.00%	\$ -8,060,000
NCTY	O	2004-12-15	17.00	6,075,000	21.00	23.53%	\$ 24,300,000
CNTF	O	2005-05-06	16.25	8,726,957	15.32	-5.72%	\$ -8,116,070
SIMO	O	2005-06-30	10.50	6,700,000	10.50	0.00%	
BIDU	O	2005-08-04	27.00	4,040,402	122.54	353.85%	\$ 386,020,007
SSW	N	2005-08-09	21.00	28,570,000	21.30	1.43%	\$ 8,571,000
HIMX	O	2006-03-31	9.00	52,000,000	8.75	-2.78%	\$ -13,000,000
EDU	N	2006-09-07	15.00	7,500,000	20.88	39.20%	\$ 44,100,000
CSIQ	O	2006-11-09	15.00	7,700,000	15.63	4.20%	\$ 4,851,000
FFHL	O	2006-12-19	8.28	3,750,000	11.08	33.82%	\$ 10,500,000
MPEL	O	2006-12-19	19.00	60,250,000	21.55	13.42%	\$ 153,637,500
TSL	N	2006-12-19	18.50	5,300,000	20.28	9.62%	\$ 9,434,000
HQCL	O	2006-12-20	12.50	12,000,000	9.96	-20.32%	\$ -30,480,000
JASO	O	2007-02-07	15.00	15,000,000	17.80	18.67%	\$ 42,000,000
ATV	N	2007-05-03	15.50	7,700,000	21.50	38.71%	\$ 46,200,000
YGE	N	2007-06-08	11.00	29,000,000	10.50	-4.55%	\$ -14,500,000
STV	N	2007-10-05	16.00	12,000,000	28.00	75.00%	\$ 144,000,000
SYMX	O	2007-11-02	9.00	5,950,000	11.50	27.78%	\$ 14,875,000
AMCN	O	2007-11-07	15.00	15,000,000	20.90	39.33%	\$ 88,500,000
VISN	O	2007-12-06	8.00	13,500,000	8.00	0.00%	
XIN	N	2007-12-12	14.00	17,500,000	16.80	20.00%	\$ 49,000,000
ATAI	O	2008-01-29	9.50	4,874,012	8.75	-7.89%	\$ -3,655,509
SOL	N	2008-01-29	13.00	10,000,000	12.99	-0.08%	\$ -100,000

SINO	O	2008-05-21	7.75	1,129,032	13.98	80.39%	\$ 7,033,869
HPJ	O	2008-06-19	3.25	2,590,224	6.84	110.46%	\$ 9,298,904
DL	N	2008-07-30	7.00	8,750,000	6.63	-5.29%	\$ -3,237,500
CYOU	O	2009-04-02	16.00	7,500,000	20.02	25.13%	\$ 30,150,000
RCON	O	2009-07-30	6.00	1,700,000	5.57	-7.17%	\$ -731,000
CCM	N	2009-12-11	11.00	12,000,000	9.50	-13.64%	\$ -18,000,000
HTHT	O	2010-03-26	12.25	9,000,000	13.92	13.63%	\$ 15,030,000
LLIT	O	2010-04-22	8.00	1,500,000	12.58	57.25%	\$ 6,870,000
JKS	N	2010-05-14	11.00	5,835,000	11.01	0.09%	\$ 58,350
KONE	O	2010-05-14	4.00	4,000,000	3.94	-1.50%	\$ -240,000
BORN	N	2010-06-11	7.00	5,725,000	7.00	0.00%	
SFUN	N	2010-09-17	42.50	2,933,238	73.50	72.94%	\$ 90,930,378
CCIH	O	2010-10-01	13.90	6,060,980	27.15	95.32%	\$ 80,307,985
DQ	N	2010-10-07	9.50	8,000,000	10.25	7.89%	\$ 6,000,000
TAL	N	2010-10-20	10.00	12,000,000	15.00	50.00%	\$ 60,000,000
NOAH	N	2010-11-10	12.00	8,400,000	15.99	33.25%	\$ 33,516,000
BITA	N	2010-11-17	12.00	10,600,000	12.45	3.75%	\$ 4,770,000
XNY	N	2010-11-23	11.00	8,000,000	9.95	-9.55%	\$ -8,400,000
OSN	O	2010-12-21	4.50	5,000,000	4.25	-5.56%	\$ -1,250,000
VNET	O	2011-04-21	15.00	13,000,000	18.80	25.33%	\$ 49,400,000
RENN	N	2011-05-04	14.00	53,100,000	18.01	28.64%	\$ 212,931,000
NQ	N	2011-05-05	11.50	7,750,000	9.30	-19.13%	\$ -17,050,000
FENG	N	2011-05-12	11.00	12,767,500	14.75	34.09%	\$ 47,878,125
ZX	N	2011-05-12	6.00	12,900,000	5.85	-2.50%	\$ -1,935,000
PME	O	2011-08-02	10.00	5,000,000	9.49	-5.10%	\$ -2,550,000
VIPS	N	2012-03-23	6.50	11,004,600	5.50	-15.38%	\$ -11,004,600
YY	O	2012-11-21	10.50	7,800,000	11.31	7.71%	\$ 6,318,000
LITB	N	2013-06-06	9.50	8,300,000	11.61	22.21%	\$ 17,513,000
CCCR	O	2013-08-13	6.50	1,370,000	6.39	-1.69%	\$ -150,700
WUBA	N	2013-10-31	17.00	11,000,000	24.12	41.88%	\$ 78,320,000
QUNR	O	2013-11-01	15.00	11,111,000	28.40	89.33%	\$ 148,887,400
WBAI	N	2013-11-22	13.00	5,786,000	20.01	53.92%	\$ 40,559,860
ATHM	N	2013-12-11	17.00	7,820,000	30.07	76.88%	\$ 102,207,400
TEDU	O	2014-04-03	9.00	15,300,000	9.06	0.67%	\$ 918,000
KANG	O	2014-04-09	14.00	10,904,846	15.20	8.57%	\$ 13,085,815
LEJU	N	2014-04-17	10.00	10,000,000	11.86	18.60%	\$ 18,600,000
WB	O	2014-04-17	17.00	16,800,000	20.24	19.06%	\$ 54,432,000
CMCM	N	2014-05-08	14.00	12,000,000	14.10	0.71%	\$ 1,200,000
TOUR	O	2014-05-09	9.00	8,000,000	10.07	11.89%	\$ 8,560,000
JMEI	N	2014-05-16	22.00	11,140,000	24.18	9.91%	\$ 24,285,200
JD	O	2014-05-22	19.00	93,685,620	20.90	10.00%	\$ 178,002,678
ZPIN	N	2014-06-12	13.50	5,610,000	14.65	8.52%	\$ 6,451,500
XNET	O	2014-06-24	12.00	7,315,000	14.90	24.17%	\$ 21,213,500
BABA	N	2014-09-19	68.00	320,106,100	93.89	38.07%	\$8,287,546,929
SKYS	O	2014-11-13	8.00	5,525,000	9.15	14.38%	\$ 6,353,750

EHIC	N	2014-11-18	12.00	10,000,000	11.70	-2.50%	\$ -3,000,000
MOMO	O	2014-12-11	13.50	16,000,000	17.02	26.07%	\$ 56,320,000
Number of Observations	84						

Chinese IPOs Exited the U.S. Market

Ticker	Market	IPO date	IPO (\$)	Shares offered	First Day Closing Price (\$)	First Day Return	Money Left on the table (\$)
SNDA	O	2004-05-13	11.00	13,854,487	11.97	8.82%	\$ 13,438,852
HTX	N	2004-10-14	11.67	69,300,000	11.26	-3.51%	\$ -28,413,000
LONG	O	2004-10-28	13.50	4,602,547	14.40	6.67%	\$ 4,142,292
CN	N	2004-11-16	21.82	47,069,300	24.90	14.12%	\$ 144,973,444
NINE	O	2004-12-03	11.00	9,600,000	11.40	3.64%	\$ 3,840,000
FMCN	O	2005-07-13	17.00	10,100,000	20.20	18.82%	\$ 32,320,000
VIMC	O	2005-11-15	10.00	8,697,063	8.36	-16.40%	\$ -14,263,183
ACTS	O	2005-11-30	8.00	9,000,000	8.00	0.00%	
GRRF	O	2006-03-29	18.00	6,250,000	19.00	5.56%	\$ 6,250,000
MR	N	2006-09-26	13.50	20,000,000	17.55	30.00%	\$ 81,000,000
HMIN	O	2006-10-26	13.80	7,900,000	22.50	63.04%	\$ 68,730,000
EFUT	O	2006-10-31	6.00	1,500,000	7.00	16.67%	\$ 1,500,000
SSRX	O	2007-02-07	16.00	7,700,000	14.85	-7.19%	\$ -8,855,000
TCM	N	2007-03-16	10.00	9,865,000	9.75	-2.50%	\$ -2,466,250
SCR	N	2007-04-20	14.50	15,625,000	15.30	5.52%	\$ 12,500,000
SPRD	O	2007-06-27	14.00	8,992,700	15.95	13.93%	\$ 17,535,765
PWRD	O	2007-07-26	16.00	11,800,000	20.40	27.50%	\$ 51,920,000
EJ	N	2007-08-08	13.80	14,600,000	19.43	40.80%	\$ 82,198,000
WX	N	2007-08-09	14.00	13,188,979	19.60	40.00%	\$ 73,858,282
NED	N	2007-10-19	14.00	9,847,129	19.85	41.79%	\$ 57,605,705
GA	N	2007-11-01	15.50	57,197,423	18.23	17.61%	\$ 156,148,965
GRO	N	2007-11-07	16.50	17,150,000	12.06	-26.91%	\$ -76,146,000
NPD	N	2007-11-09	16.20	20,625,000	17.50	8.02%	\$ 26,812,500
CEDU	O	2007-12-11	10.00	6,820,000	7.97	-20.30%	\$ -13,844,600
VIT	N	2007-12-12	8.50	7,650,000	9.96	17.18%	\$ 11,169,000
MEMS	O	2007-12-14	10.00	6,000,000	10.25	2.50%	\$ 1,500,000

GU	N	2007-12-19	9.60	18,000,000	9.73	1.35%	\$ 2,340,000
PSOF	O	2008-09-09	7.00	1,200,000	7.46	6.57%	\$ 552,000
CPC	N	2009-06-24	9.00	8,087,000	9.00	0.00%	
GAME	O	2009-09-25	12.50	83,500,000	10.75	-14.00%	\$-146,125,000
GAME	O	2009-09-25	12.50	83,500,000	10.75	-14.00%	\$-146,125,000
CRIC	O	2009-10-16	12.00	18,000,000	14.20	18.33%	\$ 39,600,000
SVN	N	2009-11-20	11.00	10,100,000	12.50	13.64%	\$ 15,150,000
NKBP	O	2009-12-10	9.00	5,000,000	8.67	-3.67%	\$ -1,650,000
CHC	N	2010-01-25	16.00	6,000,000	13.90	-13.13%	\$ -12,600,000
CTC	N	2010-01-28	7.00	12,487,500	7.30	4.29%	\$ 3,746,250
CHRM	O	2010-05-05	9.50	7,812,500	9.40	-1.05%	\$ -781,250
AMAP	O	2010-07-01	12.50	8,625,000	13.50	8.00%	\$ 8,625,000
CIS	N	2010-07-21	11.00	13,333,334	10.65	-3.18%	\$ -4,666,667
KH	N	2010-08-11	10.25	6,675,000	12.10	18.05%	\$ 12,348,750
CCSC	N	2010-09-28	16.50	5,000,000	24.30	47.27%	\$ 39,000,000
MY	N	2010-10-01	14.00	25,000,000	13.25	-5.36%	\$ -18,750,000
GEDU	O	2010-10-08	10.50	6,375,000	12.20	16.19%	\$ 10,837,500
SHP	N	2010-10-19	15.00	5,800,000	12.75	-15.00%	\$ -13,050,000
MCOX	O	2010-10-26	11.00	11,742,857	17.26	56.91%	\$ 73,510,285
GAGA	O	2010-10-29	9.50	10,871,599	11.26	18.53%	\$ 19,134,014
XUE	N	2010-11-02	9.50	13,430,000	12.50	31.58%	\$ 40,290,000
RDA	O	2010-11-10	9.00	4,000,000	10.75	19.44%	\$ 7,000,000
SYSW	N	2010-11-24	7.00	9,600,000	6.20	-11.43%	\$ -7,680,000
DANG	N	2010-12-08	16.00	17,000,000	29.91	86.94%	\$ 236,470,000
YOKU	N	2010-12-08	12.80	15,847,700	33.44	161.25%	\$ 327,096,528
BONA	O	2010-12-09	8.50	11,740,000	6.60	-22.35%	\$ -22,306,000
MOBI	O	2010-12-10	8.00	7,250,000	6.00	-25.00%	\$ -14,500,000
ISS	N	2010-12-14	13.00	10,833,334	16.62	27.85%	\$ 39,216,669
BCDS	O	2011-01-28	10.50	6,000,000	10.50	0.00%	
TBOW	O	2011-02-03	5.00	4,000,000	4.74	-5.20%	\$ -1,040,000
QIHU	N	2011-03-30	14.50	12,110,800	34.00	134.48%	\$ 236,160,600
DATE	O	2011-05-11	11.00	7,100,000	10.52	-4.36%	\$ -3,408,000
TAOM	N	2011-06-09	9.00	7,187,500	8.23	-8.56%	\$ -5,534,375
TUDO	O	2011-08-17	29.00	6,000,000	25.56	-11.86%	\$ -20,640,000
MONT	O	2013-09-26	10.00	7,100,000	12.80	28.00%	\$ 19,880,000
GOMO	O	2013-11-22	11.22	7,000,000	13.35	18.98%	\$ 14,910,000
DSKY	O	2014-08-07	15.00	7,700,000	15.94	6.27%	\$ 7,238,000
Number of Observations			63				