

Annual number of IPOs and Average Initial Return on
Hong Kong IPOs, 1980-2025

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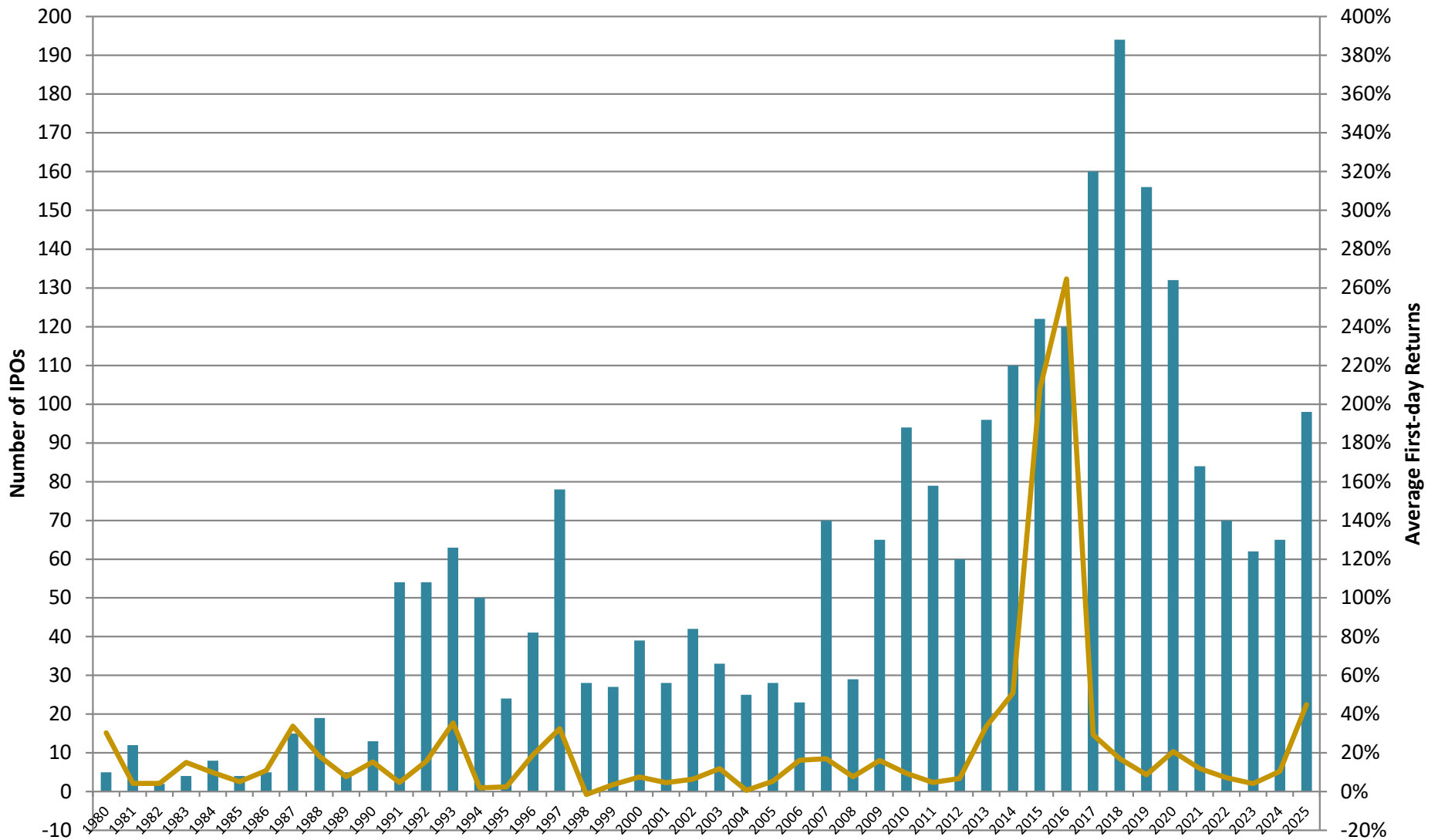
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Number of IPOs and Mean First-day Returns on Hong Kong IPOs, 1980-2025



Hong Kong IPOs include both Main Board and GEM markets, and include red chips

The Hong Kong Exchange has a Main Board and the GEM

2009-2017 IPOs, Averages

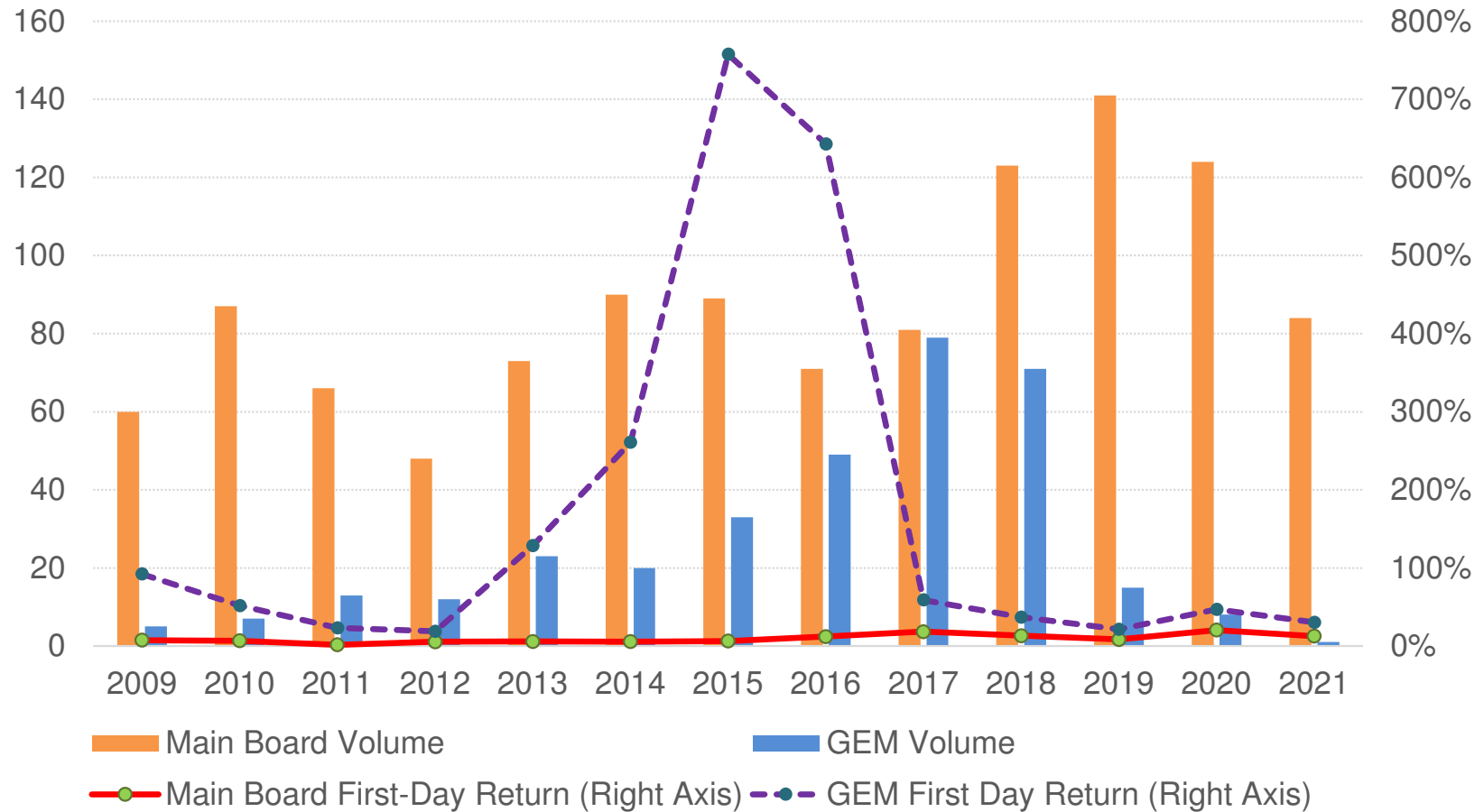
	N	First-day Returns	Proceeds, HK\$, millions
Main Board	665	7.7%	\$3,150
GEM	241	282.3%	\$92

GEM is Growth Enterprise Board

Main Board IPOs include Agriculture Bank of China, AIA Group, Glencore, Postal Savings Bank of China, Dalian Wanda, and Huatai Securities

Source: Dealogic

HK GEM and Main Board IPO volume and avg. initial returns, 2009-2021



Zhao and Wu's Hong Kong numbers are from a City University of Hong Kong working paper. For 1997-2001, the Hong Kong numbers are from Alexander Ljungqvist and Xiaoyun Yu's 2003 working paper "Stock market development, liquidity, and corporate governance." For 2002-2003, the Hong Kong numbers are from Simon Yu Kit Fung, Ferdinand A. Gul, and Suresh Radhakrishnan's "Investment Banks' Repeated IPO Business Opportunities and IPO Underpricing." For 2004-2017, the Hong Kong numbers are from Dealogic, and include GEM IPOs. The average first-day return on GEM IPOs is much higher than on Main Board IPOs. For 241 GEM IPOs from 2009-2017, the average proceeds were US\$11.9 million with an average first day return of 282.3%, with approximately 10% of GEM IPOs having a first-day return of over 1,000%. The average first-day return on 665 Main Board IPOs was 7.7%. For GEM IPOs that were priced in 2018 and later, the extreme underpricing of some has largely disappeared. On February 15, 2018, listing requirements for GEM IPOs were tightened. During 2019-2025, there have been very few GEM IPOs. For GEM volume and returns, IPOs are assigned to the year in which the IPO was priced. In December 2016, there were three GEM IPOs that were priced that had first-day returns of more than 1,000% but did not list until January 2017. Joe Fung of Hong Kong Metropolitan University has confirmed the GEM numbers. Steve Dawson of the University of Hawaii has confirmed the Hong Kong numbers for the early years.

The equally weighted average first-day return is 38.1% for 2,595 IPOs.

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