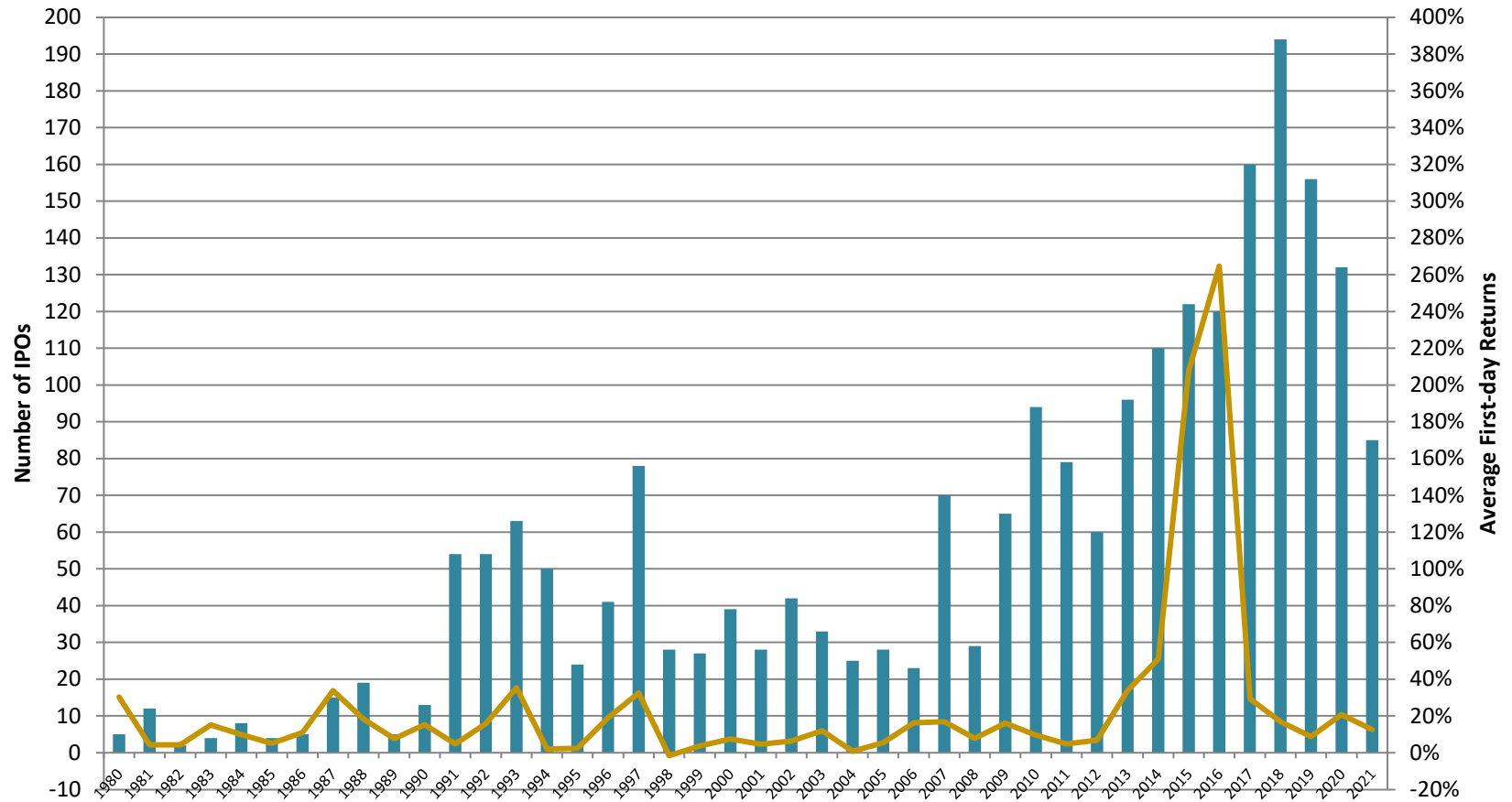


# Number of IPOs and Mean First-day Returns on Hong Kong IPOs, 1980-2021



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

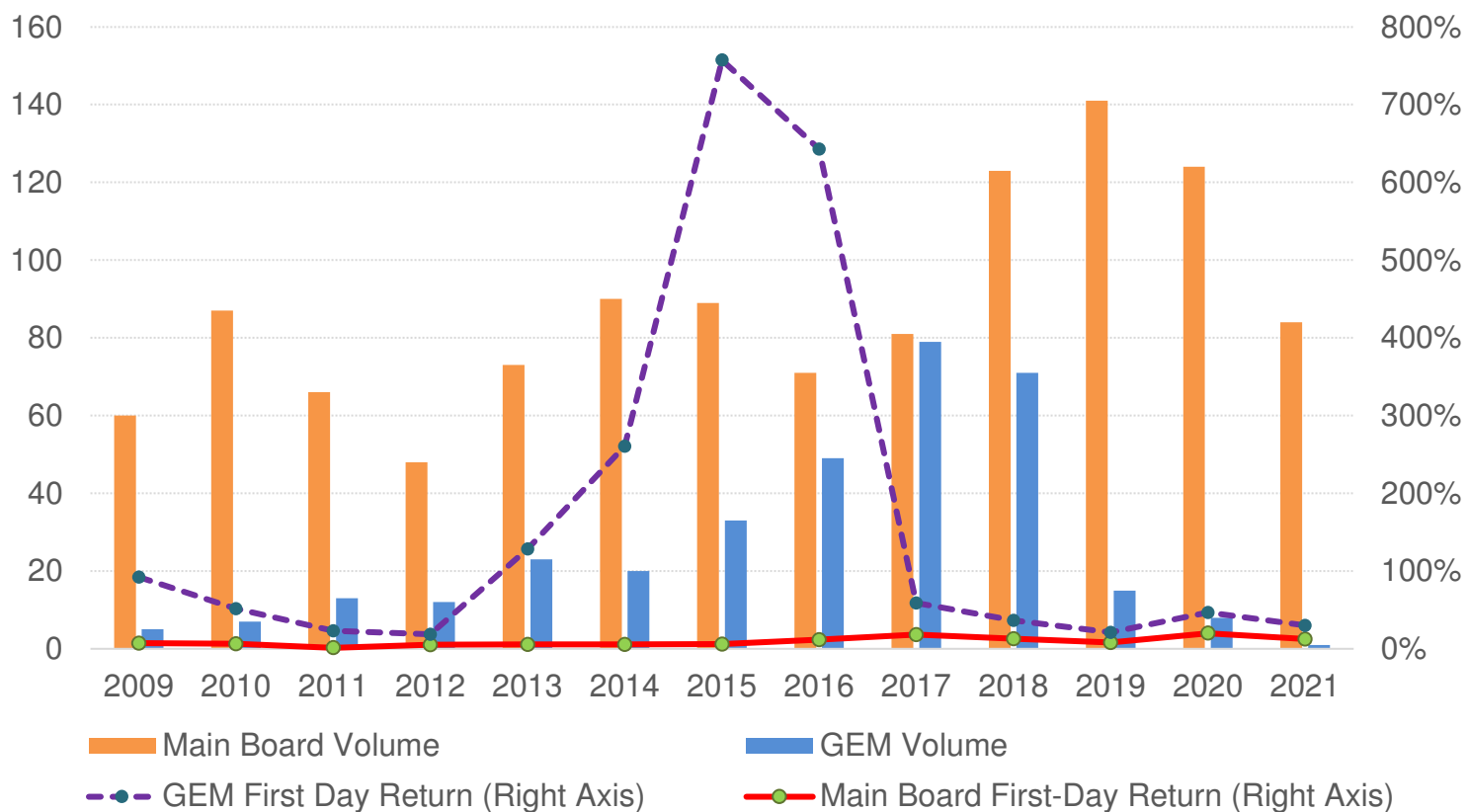
	N	First-day Returns	Proceeds, HK\$, millions
Main Board	665	7.7%	\$3,150
GEM	241	282.3%	\$92

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. Steve Dawson of the University of Hawaii has confirmed the Hong Kong numbers for the early years.

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January 2022