

Date of the event:

On Monday, 06th June, 2011
From 01:00 PM to 2:00 PM

Location:

Luxembourg School of Finance
University of Luxembourg
4 Rue Albert Borschette
2nd Floor
Modigliani Miller Auditorium (E02-003)
L-1246 Luxembourg

Registrations:

- Free seminar (with lunch included)
- Registrations by email before May 31st, 2011
- At the following address : lsf-events@uni.lu

Information:

Ms Caroline Herfroy
Tel : +352 46 66 44 6335

<http://www.lsf.lu/eng/Research/Seminars-and-Workshops>



The LSF is pleased to invite you to the following lunch seminar:

***Overseas Listing as a Policy Tool:
Evidence from China's H-Shares***

*By Professor Qian Sun
Fudan University, Shanghai*

**Monday, 06th June 2011
From 01:00 PM to 2:00 PM**



Overseas Listing as a Policy Tool: Evidence from China's H-Shares

By Qian Sun

The **Luxembourg School of Finance**

Is pleased to invite you to the

LSF Seminar

We investigate why the Chinese government chooses to share-issue privatize (SIP) its state-owned enterprises (SOEs) in Hong Kong instead 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 domestic markets could leverage on their 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.

