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An Experimental Study about Effective Factors on First-day Offering Pricing: The case of Hong Kong Stock Market

Yi LIU

Abstract

The author examines the literature with respect to the pricing of initial public offerings and focus upon the effective factors of pricing. Using a data base of all share offerings undertaken in Hong Kong over a one year period (in 2007), the author finds that there is considerable evidence for the proposition that large and well-capitalized companies tend to price their share offerings at a higher absolute level in order to get a higher level of first-day closing price. Using classical statistical methods, the author finds that the pricing strategy of offering companies is connected to shareholders' desire of the return. The motives for such pricing strategies, the author argues, lie with the affiliation of listing stocks with large size of trading shares and well expected return, suggesting that the pricing of new share offerings may be a means of excluding small-cap stocks from participating in the strong returns such issues exhibit. The author raises legal and regulatory implications of findings in the context of the general consolidation observed within the Hong Kong stock market in 2007.

Keywords: IPO (initial public offerings), first-day closing price, pricing

1. Introduction

Numerous studies have been conducted to explain the IPO underpricing - the positive return earned in the first few days of trading of newly public firms. The extent of underpricing is of economic significance, with the first IPO day price appreciation of close to 20%, on average, during 1980–2001 (Ritter and Welch, 2002). The phenomenon of underpricing is also persistent through long periods of time, and prevalent worldwide (Ritter, 2003; Jenkinson and Ljungqvist, 2001).

Although there has been a great deal of research on under-pricing phenomena, and on whether it allows investors to earn supra-normal returns, the relationship between pricing and the amount of trading shares, the expected return of listing stocks, have both received less attention. In the present research, the author explores a sample of new issues which took place during the year 2007 in Hong Kong. The author examines whether the pricing of new issues was related to the envisioned degree of stock return and the extent of the trading shares.

2. Review of the literature

There has been considerable research into the pricing of new issues focusing upon the issue of mis-pricing, that is whether new shares are issued below fair value and thereby provide abnormal rates of return to investors. Specifically, with regard to such under-pricing, Hu Zhiqiang presented four factors that should affect first-day closing prices on the mainland China stock market, which include initial offering price, trading shares, expected earnings per share and the shanghai index. In his survey, the professor Hu divided the new issuing stocks into three groups according to the amount of the traded shares outstanding. Also, he considered the difference between in various industries, so he combined different industries with different cap stocks. Correspondingly, group 1 contains the small-cap stocks in High Tech; group 2 is consists of the middle-cap stocks in manufacturing industries; group 3 just covers all the big-cap stocks.

The survey made it clear that the closing price has positive correlation related to initial offering price. Negative correlation relationship exists between closing prices and expected earnings. With the increase in trading shares, the shanghai index nearly has no impact on closing price with the evidence that small-cap stocks' closing prices are slightly influenced by the index. If the index increased by 1%, the stocks' prices may drop weakly. However, the large-cap stocks lack sensitivity to the changes of the index. Meanwhile, the reflection on expected earnings in different industries is diverse. The stocks which sell concepts, professional knowledge and expertise are stable in price level even with a high expected earning. But if the companies are part of a manufacturing industry which is linked to the labor force, mechanism development and degree of management, their stocks' prices may fluctuate with expected earnings. As expected earnings decided the demand for such stocks, simultaneously, demand would also decide the companies' performance especially in high-force-strength department.

Such survey explained the relationship between pricing and the situation of stocks in the mainland China stock market. So this article extends the idea in the Hong Kong stock market, which discusses those four variables how to affect the initial closing price of Hong Kong stocks in 2007. Unfortunately, the selected sample covers too many industries (24 kinds), it is impossible to compare the difference between industries. Otherwise, all the initial offering stocks are belong to big-cap stocks, hence grouping is unnecessary. Finally, a quite simple

regression may form to detect the relationship between the dependent variable and the independent variables.

3. Research method and data analysis

3.1 Sample:

The stocks which were listed on Hong Kong Exchanges and Clearing Limited in 2007 are selected as a small sample. The sample contains 76 listed companies, which covered many kinds of industries, such as banking, raw materials, real estate, mining industry and many then. The article surveyed this sample in order to discuss the effective factors about IPO initial pricing. Sheet 1 (appendix) indicates all the offering stocks on Hong Kong Stock Exchange in year 2007. It contains 76 stocks.

3.2 Variables

The initial closing price is selected as the dependent variable, not the ratio of the initial return which equals to $(p_1 - p_0) / p_0$ (where p_1 is related to initial closing price and p_0 is related to IPO subscription price). It is because that many surveys have used the ratio as dependent variable to analysis the IPO pricing, so we choose price as the dependent variable to explain the factors that influences the price directly.

Four independent variables are selected to explain the relationship between initial listed pricing and independent variables. Then it is essential to analyse the coefficient and to make the regression function.

- (1) IPO Subscription Price: IPO subscription price is of great importance in the process of initial listed pricing. In the primary market, IPO subscription price is a significant signal for appealing to investors. As under-pricing seems to be a universal phenomenon, the results consistently indicate that IPOs are marketed to investors at attractive prices. There is lack of risk to own first-day returns on IPOs of stocks. However, the amount of first-day return is related to different industries, various listing shares and IPO subscription price. Hence, IPO subscription price is the key point to affect the initial closing price.
- (2) Forecasted earnings per share: the forecasted earnings are based on the annual report of such listing companies before listing. According to the accurate financial statement analysis, companies could forecast the future earnings after listing. The prospect on the ability of earning profit in future years may reflect on the initial closing price. If investors have a prospect on high earnings, they should believe that the company is able to gain much more profit than others. So, it is obvious that the demand for such company's stock will increase, which will reflect on the degree of difference between IPO subscription price and initial closing price.
- (3) Hang Seng Index: Hang Seng Index is a price index which is the average level of all the listing companies. The index indicates the bloom or down of the secondary market externally, also indicates the sensitivity of investors about the systematic risk. Meanwhile, considering that the Hang Seng Index covers all kinds of industries, it is more reliable to explain the change of initial closing price.
- (4) Listing shares: the total number of trading shares reflects the actual size of the listing companies. The size of the company would influence its ability to profit, which may reflect upon the initial closing price in advance. The surveyed sample includes the entire range of listing shares, from the minimum of 271700000 shares to the maximum of 21299900000 shares. Due to the small size of trading shares is larger than 2×10^8 shares, all the stocks belong to big-cap stocks. So it is no need to divide the sample into groups according to the different sizes of trading shares.

3.3 Making regression function:

OLS:

$$\text{Closing} = \beta_0 + \beta_1 \text{IPO} + \beta_2 \text{Earnings} + \beta_3 \ln \text{HS} + \beta_4 \ln \text{Sha}$$

Dependent variable:

Closing—Initial Closing Price

Independent variables:

IPO—IPO Subscription Price

Earnings—Earnings per Share

ln HS—equal to log(Hang Seng index)

ln Sha—equal to log(Listing Shares)

Because the numerical value of the Hang Seng Index and Listing Shares are both too large compared with the other variables' value, using their logarithm value would satisfy the function much better.

Noticeable, if IPO subscription price increases by 1%, the initial closing price will increase or decrease by $\beta_1\%$, resulting from a positive value or a negative value of β_1 . While if ln HS increases by 1%, correspondingly, the initial closing price will increase or decrease β_3 which is related to the sign of β_3 .

(All the tables and graphs below are from Eviews Software)

Step 1: Run OLS in Eviews to get the result

| Dependent Variable: CLOSING | | | | |
|-----------------------------|-------------|-----------------------|-------------|---------|
| Method: Least Squares | | | | |
| Sample: 1 76 | | | | |
| Included observations: 75 | | | | |
| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
| C | -13.29193 | 28.42291 | -0.467649 | 0.6415 |
| IPO | 1.505519 | 0.14133 | 10.65251 | 0.0000 |
| EARNINGS | -0.897164 | 0.700786 | -1.280225 | 0.2047 |
| LNHS | 0.975717 | 2.655244 | 0.367468 | 0.7144 |
| LNSHA | 0.132501 | 0.404297 | 0.327731 | 0.7441 |
| | | | | |
| R-squared | 0.676006 | Mean dependent var | | 5.714 |
| Adjusted R-squared | 0.657492 | S.D. dependent var | | 5.35179 |
| S.E. of regression | 3.132088 | Akaike info criterion | | 5.18562 |
| Sum squared resid | 686.6984 | Schwarz criterion | | 5.34012 |
| Log likelihood | -189.4607 | F-statistic | | 36.5133 |
| Durbin-Watson stat | 2.062861 | Prob(F-statistic) | | 0.0000 |

Through the table above, it is easily to get that only the t-statistic value of IPO is large while the t-statistic value of other variances is too small. Additionally, the probability of all the variables are bigger than 0.01 except IPO, so the coefficient of Earnings, lnHS and lnSha are insignificant. Combined to the R-squared value which is equal to 0.676006 (much higher), it can be concluded that multicollinearity may exist between the independent variables.

Step 2: check the multicollinearity

Auxiliary regression:

Run OLS that has each independent variable as a function of all other independent variables.

$$\text{IPO} = \alpha_0 + \alpha_1 \text{Earnings} + \alpha_2 \text{LnHS} + \alpha_3 \text{LnSha} + \mu$$

$$\text{Earnings} = \alpha_0 + \alpha_1 \text{IPO} + \alpha_2 \text{LnHS} + \alpha_3 \text{LnSha} + \mu$$

$$\text{LnHS} = \alpha_0 + \alpha_1 \text{IPO} + \alpha_2 \text{Earnings} + \alpha_3 \text{LnSha} + \mu$$

$$\text{LnSha} = \alpha_0 + \alpha_1 \text{IPO} + \alpha_2 \text{Earnings} + \alpha_3 \text{LnHS} + \mu$$

Get a series of R-squared value as follow:

$$\text{R-squared (IPO)} = 0.233408$$

$$\text{R-squared (Earnings)} = 0.092035$$

$$\text{R-squared (LnHS)} = 0.068038$$

$$\text{R-squared (LnSha)} = 0.119791$$

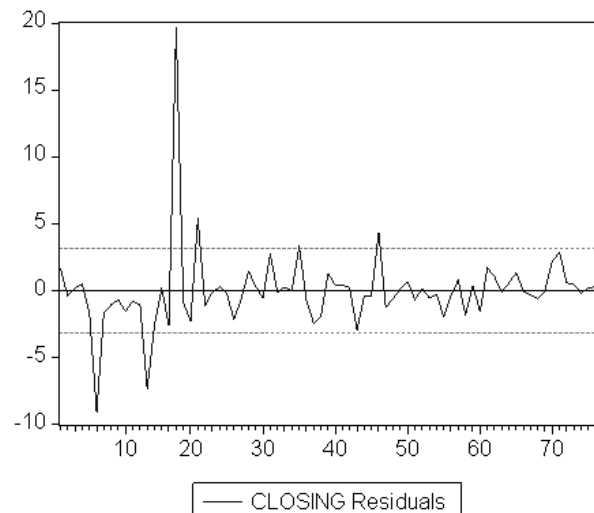
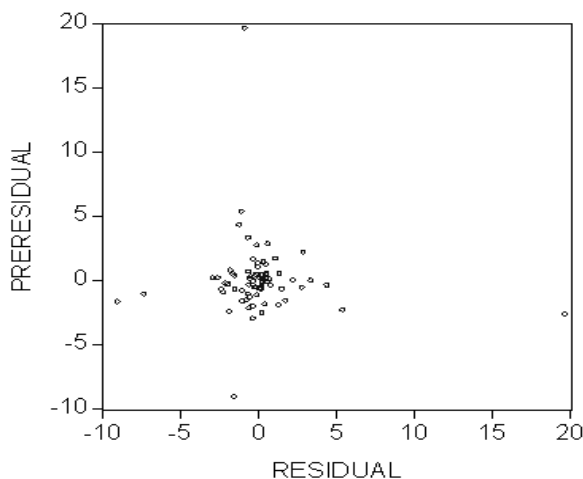
As the R-squared value of all the independent variables are not so high, there is no severe multicollinearity between them.

Correlation matrix

| | EARNINGS | LNHS | LNSHA | IPO |
|----------|----------|----------|---------|---------|
| EARNINGS | 1.00000 | -0.05521 | 0.05847 | 0.27531 |
| LNHS | -0.05521 | 1.00000 | 0.02331 | 0.22292 |
| LNSHA | 0.05847 | 0.02331 | 1.00000 | 0.33917 |
| IPO | 0.27531 | 0.22292 | 0.33917 | 1.00000 |

In addition, the degree of correlation in each two variables is not deep (where the highest value is just 0.33917 between IPO and LnSha); the independent variables are not highly collinear, so no variable would be dropped.

Step 3: check the autocorrelation



Through the scatter graph and the residual graph, it is obviously to indicate that autocorrelation does not exist. Looking back to the initial regression result, the Durbin-Watson statistic=2.062861 which is similar to 2, so it does not exist autocorrelation.

Step 4: check the heteroskedasticity—White Test

| White Heteroskedasticity Test: | | | | |
|--------------------------------|-------------|-----------------------|-------------|--------|
| F-statistic | 34.78819 | Probability | 0.0000 | |
| Obs*R-squared | 66.77383 | Probability | 0.0000 | |
| Test Equation: | | | | |
| Dependent Variable: RESID^2 | | | | |
| Method: Least Squares | | | | |
| Sample: 1 76 | | | | |
| Included observations: 75 | | | | |
| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
| C | 4393.721 | 17918.47 | 0.245206 | 0.8071 |
| IPO | -503.5544 | 128.199 | -3.927911 | 0.0002 |
| IPO^2 | 1.81141 | 0.371979 | 4.869654 | 0.0000 |
| IPO*EARNINGS | -21.50254 | 4.517117 | -4.760235 | 0.0000 |
| IPO*LNHS | 39.71981 | 12.1201 | 3.277184 | 0.0017 |
| IPO*LNSHA | 4.665638 | 1.517079 | 3.075409 | 0.0032 |
| EARNINGS | 5575.099 | 1494.113 | 3.731376 | 0.0004 |
| EARNINGS^2 | -13.92794 | 4.669197 | -2.982942 | 0.0041 |
| EARNINGS*LNHS | -439.7186 | 133.33 | -3.297973 | 0.0016 |
| EARNINGS*LNSHA | -49.58677 | 15.44302 | -3.21095 | 0.0021 |
| LNHS | -1964.529 | 3463.434 | -0.56722 | 0.5727 |
| LNHS^2 | 132.1903 | 169.6354 | 0.779262 | 0.4389 |
| LNHS*LNSHA | -34.57458 | 18.17795 | -1.902007 | 0.062 |
| LNSHA | 541.2667 | 216.1525 | 2.504097 | 0.015 |
| LNSHA^2 | -4.721127 | 1.871105 | -2.523176 | 0.0143 |
| | | | | |
| R-squared | 0.890318 | Mean dependent var | 9.155979 | |
| Adjusted R-squared | 0.864725 | S.D. dependent var | 45.73943 | |
| S.E. of regression | 16.82283 | Akaike info criterion | 8.660208 | |
| Sum squared resid | 16980.47 | Schwarz criterion | 9.123705 | |
| Log likelihood | -309.7578 | F-statistic | 34.78819 | |
| Durbin-Watson stat | 2.014631 | Prob(F-statistic) | 0.0000 | |

With the result of Obs*R-squared=66.77383 and Probability=0.0000, it is significant and heteroskedasticity exists indeed. No doubt that modification is needed.

Step5: modify the equation

| Dependent Variable: CLOSING | | | | |
|--|-------------|-----------------------|-------------|--------|
| Method: Least Squares | | | | |
| Sample: 1 76 | | | | |
| Included observations: 75 | | | | |
| White Heteroskedasticity-Consistent Standard Errors & Covariance | | | | |
| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
| C | -13.29193 | 22.18247 | -0.599209 | 0.5510 |
| IPO | 1.505519 | 0.340762 | 4.418102 | 0.0000 |
| EARNINGS | -0.897164 | 0.848951 | -1.056791 | 0.2942 |
| LNHS | 0.975717 | 2.002464 | 0.487258 | 0.6276 |
| LNSHA | 0.132501 | 0.218067 | 0.607615 | 0.5454 |
| | | | | |
| R-squared | 0.676006 | Mean dependent var | 5.7140 | |
| Adjusted R-squared | 0.657492 | S.D. dependent var | 5.35179 | |
| S.E. of regression | 3.132088 | Akaike info criterion | 5.18562 | |
| Sum squared resid | 686.6984 | Schwarz criterion | 5.34012 | |
| Log likelihood | -189.4607 | F-statistic | 36.5133 | |
| Durbin-Watson stat | 2.062861 | Prob(F-statistic) | 0.0000 | |

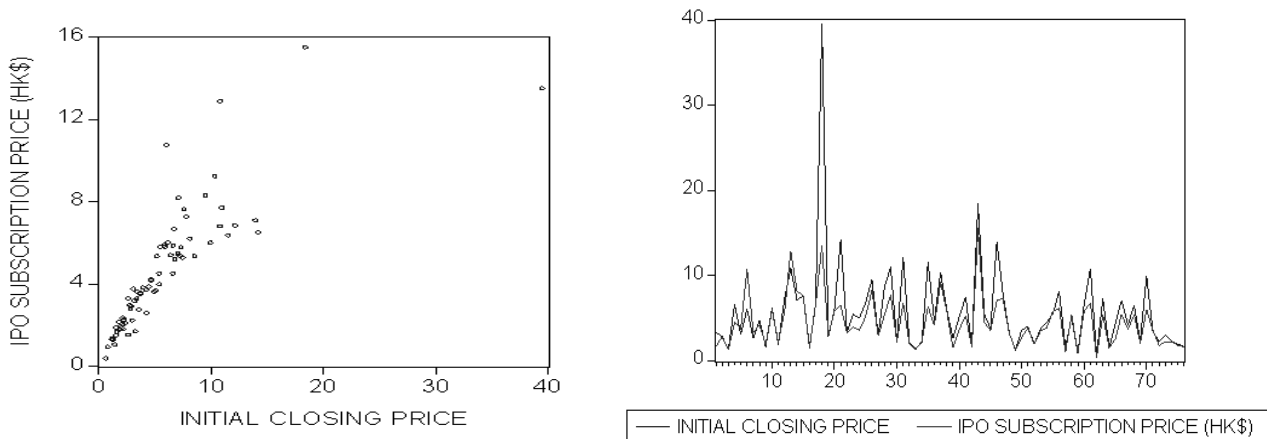
Equation I :

$$\text{Closing} = -13.29193 + 1.505519\text{IPO} - 0.897164\text{Earnings} + 0.975717\text{lnHS} + 0.132501\text{lnSha}$$

(-0.599209) (4.418102) (-1.056791) (0.487258) (0.607615)

Because of the small value of the t-statistic, coefficients of Earnings, lnHS, lnSha are insignificant even after modification. So these variables should be dropped leaving just one variable, IPO.

Look at the graphs below:



Either a line-graph or a scatter-graph can show the direct relationship between initial closing price and IPO Subscription Price. Only one variable has to be chosen to implement the regression function.

Step6: drop other independent variables, regress IPO and Closing

| Dependent Variable: CLOSING | | | | |
|-----------------------------|-------------|-----------------------|-------------|----------|
| Method: Least Squares | | | | |
| Sample: 1 76 | | | | |
| Included observations: 76 | | | | |
| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
| C | -0.860314 | 0.657567 | -1.30833 | 0.1948 |
| IPO | 1.461821 | 0.122213 | 11.96122 | 0.0000 |
| R-squared | 0.659097 | Mean dependent var | | 5.7325 |
| Adjusted R-squared | 0.65449 | S.D. dependent var | | 5.318433 |
| S.E. of regression | 3.126178 | Akaike info criterion | | 5.143463 |
| Sum squared resid | 723.2012 | Schwarz criterion | | 5.204798 |
| Log likelihood | -193.4516 | F-statistic | | 143.0707 |
| Durbin-Watson stat | 2.045024 | Prob(F-statistic) | | 0.0000 |

Regression function:

$$\text{Closing} = -0.860314 + 1.461821\text{IPO}$$

(-1.30833) (11.96122)

R-squared=0.659097, Adjusted R-squared=0.65449, F-statistic=143.0707.

According to the t-statistic value and probability, the coefficient of IPO is significant, goodness of fit is also satisfied. This function indicates that IPO subscription price is the key factor which could affect the initial closing price. From the equation above, the coefficient of 1.46182 means that if the company makes a little higher price on primary market, relatively the first-day closing price on secondary market would be nearly 1.5 times higher than before.

4. Conclusion

Through the statistical analysis conducted above, this article has shown the proposition that IPO price is the unique weigh for initial closing price in Hong Kong stock market of 2007.

Looking at Equation I first, it can be found that the relationship between initial closing price and earnings per share is negatively correlated. This suggests that, supposing all the variables stay same, if investors expect earnings per share should climb up by 1%, the closing price would go down by 0.9%. Currently, suspicions must spark due to this amazing result. In general, closing price and expected earnings should move in the same direction as the higher the expected earnings are, the higher the closing prices are. How to illustrate such situation is a big challenge in an experimental study. In reality, investors usually disbelieve the authenticity of offering companies' annual report and the expected future return informed before listing. Such rule in investors' mind is owing to the actions that companies perfect their financial performance and justify the financial statement to catch up IPO requirement. Therefore, it is no doubt that investors suspect listing companies' ability to gain profit in succession. Possibly, investors may think that the company with satisfied expected return in book value would perform poorly, the demand for its stock will certainly decline, as a consequence, its stock closing price can not arise even more.

Turn to the independent variable about the Hang Seng Index. According to the equation, its t-statistic value is the smallest which indicates insignificant. The conclusion is that Hang Seng Index almost has no impact on initial closing prices. It is tally with the previous summing-up in mainland stock market about big-cap stocks. One characteristic of big-cap stocks is underpricing too low. Considering the huge capital in implementation, the potential to extend trading shares is limited, therefore even with a high index, the stock still could not get a high closing price. Anther reason is that big-cap stocks hold the ability of anti-dropping.

Switch to the effect of trading shares, fluctuation of closing price is lack of keenness to the size changes of the trading shares. The most related reason is that all the stocks listing in 2007 are of large-cap stocks, the difference between each stock in number of trading shares can be ignored.

Making a comprehensive review, many of the coefficients are insignificant just due to the time period the article chose. Year 2007 is a special year in the Hong Kong stock market, and the stock market recovered and bloomed in that year. Under such bull market environment, every investor desire to buy stocks no matter it is a new issuing one or it is an old one. Also, investors are not concern of which industry the stock belongs to. The only thing investors are concern of is how many shares they could purchase to achieve the maximum profit. Such phenomena and psychology lead to this statistical result that the article shows. Other variables seems to indistinctive in such blooming year, initial closing price is just positive related to the initial offering price which is also obey to the pervious analysis in mainland stock market. Like equation I and equation II shown, the coefficient of initial offering price is nearly 1.5, the coefficients in two equations are similar which could be considered as a signal that other independent variables contribute nothing to the regression. Obviously, they affect the initial closing price little.

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Appendix: Price of New Issued Stocks in 2007 (Resource: Data Stream)

Sheet 1

| Stock | Company Name at time of | Date of | Initial | IPO | Earnings | Hang | Listing |
|-------|--------------------------------|----------|---------|---------|----------|----------|-------------|
| 505 | Xingye Copper International | 27-12-07 | 3.2900 | 1.7000 | 0.3789 | 27842.93 | 622500000 |
| 556 | Pan Asia Environmental | 21-12-07 | 2.8900 | 2.8000 | 0.3943 | 27626.92 | 800000000 |
| 117 | EYANG Holdings (Group) Co., | 21-12-07 | 1.2500 | 1.3000 | 0.2564 | 27626.92 | 405500000 |
| 1893 | China National Materials Co., | 20-12-07 | 6.6600 | 4.5000 | 0.2226 | 27017.09 | 3571464000 |
| 422 | Vietnam Manufacturing and | 20-12-07 | 3.1200 | 3.7500 | 0.3276 | 27017.09 | 907680000 |
| 285 | BYD Electronic (International) | 20-12-07 | 6.0700 | 10.7500 | 0.6600 | 27017.09 | 2272246000 |
| 543 | Pacific Online Limited | 18-12-07 | 2.6600 | 3.3000 | 0.1347 | 26732.87 | 950000000 |
| 220 | Uni-President China Holdings | 17-12-07 | 4.7500 | 4.2200 | 0.1594 | 26596.58 | 3599445000 |
| 3337 | Anton Oilfield Services Group | 14-12-07 | 1.6300 | 1.8800 | 0.0815 | 27563.64 | 2093054000 |
| 2002 | China Sunshine Paper | 12-12-07 | 6.1700 | 6.0000 | 0.7608 | 28521.06 | 407500000 |
| 189 | Dongyue Group Limited | 10-12-07 | 1.9000 | 2.1600 | 0.1609 | 28501.10 | 2083623000 |
| 390 | China Railway Group Limited | 07-12-07 | 7.3600 | 5.7800 | 0.2052 | 28842.47 | 21299900000 |
| 3808 | Sinotruk (Hong Kong) Limited | 28-11-07 | 10.8600 | 12.8800 | 0.8049 | 27371.24 | 2275199000 |
| 368 | Sinotrans Shipping Limited | 23-11-07 | 7.1200 | 8.1800 | | 26541.09 | 4000000000 |
| 806 | Value Partners Group Limited | 22-11-07 | 7.6300 | 7.6300 | 0.8872 | 26004.92 | 1600000000 |
| 33 | Rainbow Brothers Holdings | 19-11-07 | 1.5500 | 1.5000 | 0.1517 | 27460.17 | 200000000 |
| 672 | Zhong An Real Estate Limited | 13-11-07 | 6.7100 | 6.6700 | 0.2907 | 27803.35 | 1981783000 |
| 1688 | Alibaba.com Limited | 06-11-07 | 39.5000 | 13.5000 | 0.2261 | 29438.13 | 5052356500 |
| 3828 | Ming Fai International | 02-11-07 | 2.8000 | 2.9800 | 0.2653 | 30468.34 | 600000000 |
| 1828 | Dah Chong Hong Holdings | 17-10-07 | 5.8800 | 5.8800 | 0.3107 | 29298.71 | 1799298000 |
| 3833 | Xinjiang Xinxin Mining | 12-10-07 | 14.2400 | 6.5000 | 0.5652 | 28838.37 | 2210000000 |
| 3998 | Bosideng International | 11-10-07 | 3.4100 | 3.2800 | 0.1937 | 29133.02 | 7994322000 |
| 3818 | China Dongxiang (Group) Co., | 10-10-07 | 5.4300 | 3.9800 | 0.1804 | 28569.33 | 5673285000 |
| 3888 | Kingsoft Corporation Limited | 09-10-07 | 5.0000 | 3.6000 | 0.2061 | 28228.04 | 1067225333 |
| 3883 | China Aoyuan Property | 09-10-07 | 6.8200 | 5.2000 | 0.4093 | 28228.04 | 2252500000 |
| 410 | SOHO China Limited | 08-10-07 | 9.5400 | 8.3000 | 0.5416 | 27770.29 | 5224068000 |
| 3999 | DaChan Food (Asia) Limited | 04-10-07 | 2.9300 | 2.9000 | 0.2519 | 26973.98 | 1010662000 |
| 3868 | Qunxing Paper Holdings | 02-10-07 | 8.5700 | 5.3500 | 0.4815 | 28199.75 | 1038619000 |
| 3377 | Sino-Ocean Land Holdings | 28-09-07 | 11.0000 | 7.7000 | 0.5815 | 27142.47 | 4473171000 |
| 3838 | China Starch Holdings Limited | 27-09-07 | 2.2300 | 2.2200 | 0.1420 | 27065.15 | 2612500000 |
| 1393 | Hidili Industry International | 21-09-07 | 12.1400 | 6.8300 | 0.4209 | 25843.78 | 2060000000 |
| 3889 | Global Sweeteners Holdings | 20-09-07 | 2.1700 | 2.0400 | 0.1853 | 25701.13 | 1045000000 |
| 3823 | Tech Pro Technology | 06-09-07 | 1.3600 | 1.3000 | 0.1298 | 24050.40 | 600000000 |
| 817 | Franshion Properties (China) | 17-08-07 | 2.1800 | 2.3500 | 0.8723 | 20387.13 | 7073292268 |
| 826 | Tiangong International | 26-07-07 | 11.5600 | 6.3600 | 0.5811 | 23211.69 | 419500000 |
| 1832 | Times Ltd. | 16-07-07 | 4.7400 | 4.1800 | 0.1292 | 22953.94 | 873990000 |
| 656 | Fosun International Limited | 16-07-07 | 10.3800 | 9.2300 | 0.6729 | 22953.94 | 6421594500 |
| 825 | New World Department Store | 12-07-07 | 5.9200 | 5.8000 | 0.2858 | 22809.02 | 1686145000 |
| 569 | China Automation Group | 12-07-07 | 2.6800 | 1.5300 | 0.1603 | 22809.02 | 912660000 |
| 3331 | Vinda International Holdings | 10-07-07 | 5.1200 | 3.6800 | 0.1028 | 22885.84 | 903841686 |
| 2020 | ANTA Sports Products Limited | 10-07-07 | 7.5100 | 5.2800 | 0.2868 | 22885.84 | 2490000000 |
| 1997 | Regent Manner International | 10-07-07 | 1.6800 | 1.6800 | 0.3619 | 22885.84 | 1000000000 |
| 1836 | Stella International Holdings | 06-07-07 | 18.4400 | 15.5000 | 1.2893 | 22531.74 | 809250000 |
| 722 | Delta Networks, Inc. | 06-07-07 | 5.4400 | 4.5000 | 0.2567 | 22531.74 | 1183077000 |
| 1155 | Centron Telecom | 05-07-07 | 3.8000 | 3.5500 | 0.4098 | 22252.99 | 700000000 |
| 658 | China High Speed | 04-07-07 | 14.0000 | 7.0800 | 0.3267 | 22218.55 | 1245000000 |
| 1813 | KWG Property Holding | 03-07-07 | 7.8400 | 7.2800 | 1.3651 | 22151.14 | 2593750000 |
| 573 | Tao Heung Holdings Limited | 29-06-07 | 3.2500 | 3.1800 | 0.2119 | 21772.73 | 1014460000 |

| Stock | Company Name at time of | Date of | Initial | IPO | Earnings | Hang | Listing Shares |
|-------|------------------------------|----------|---------|--------|----------|----------|----------------|
| 822 | Ka Shui International | 27-06-07 | 1.2600 | 1.3500 | 0.0742 | 21705.56 | 880000000 |
| 3933 | The United Laboratories | 15-06-07 | 3.6100 | 2.7500 | 0.4796 | 21017.05 | 1200000000 |
| 2382 | Sunny Optical Technology | 15-06-07 | 4.0100 | 3.8200 | 0.2796 | 21017.05 | 1000000000 |
| 819 | Tianneng Power International | 11-06-07 | 1.9600 | 1.9200 | 0.2589 | 20615.49 | 1000000000 |
| 1991 | Ta Yang Group Holdings Ltd | 08-06-07 | 3.7500 | 3.5000 | 0.1255 | 20509.15 | 800000000 |
| 1386 | Walker Group Holdings | 07-06-07 | 4.5100 | 3.8600 | 0.1605 | 20800.16 | 622500000 |
| 811 | Sichuan Xinhua Winshare | 30-05-07 | 5.5200 | 5.8000 | 0.4549 | 20293.76 | 1135131000 |
| 1880 | Belle International Holdings | 23-05-07 | 8.1600 | 6.2000 | 0.2842 | 20798.97 | 8441333000 |
| 602 | Jiahua Stores Holdings | 21-05-07 | 1.4600 | 1.0400 | 0.0969 | 20927.75 | 1037500000 |
| 1382 | Pacific Textiles Holdings | 18-05-07 | 5.1900 | 5.3500 | 0.2825 | 20904.84 | 1432936000 |
| 469 | Capxon International | 07-05-07 | 0.8500 | 0.9300 | 0.0948 | 20896.64 | 844559841 |
| 998 | China CITIC Bank Corporation | 27-04-07 | 6.6800 | 5.8600 | 0.2612 | 20526.50 | 39033344054 |
| 3993 | China Molybdenum Co., Ltd. - | 26-04-07 | 10.8200 | 6.8000 | 0.5657 | 20667.29 | 4876170525 |
| 717 | Emperor Capital Group | 24-04-07 | 0.6900 | 0.3800 | 0.0739 | 20572.80 | 721511272 |
| 2007 | Country Garden Holdings | 20-04-07 | 7.2700 | 5.3800 | 0.3024 | 20566.59 | 16310614000 |
| 475 | Noble Jewelry Holdings | 17-04-07 | 1.5900 | 1.5000 | 0.2257 | 20788.61 | 271700000 |
| 1883 | CITIC 1616 Holdings Limited | 03-04-07 | 4.3200 | 2.5800 | 0.1430 | 20002.70 | 1977731283 |
| 538 | Ajisen (China) Holdings | 30-03-07 | 7.1000 | 5.4700 | 0.2518 | 19800.93 | 1067574750 |
| 606 | China Agri-Industries | 21-03-07 | 4.2500 | 3.7200 | 0.3220 | 19516.41 | 3593906356 |
| 1833 | Intime Department Store | 20-03-07 | 6.4400 | 5.3900 | 0.2518 | 19356.90 | 1800000000 |
| 3938 | Samling Global Limited | 07-03-07 | 2.4000 | 2.0800 | 0.0250 | 18918.64 | 4301736830 |
| 1886 | China Huiyuan Juice Group | 23-02-07 | 9.9700 | 6.0000 | 0.5330 | 20711.65 | 1468817000 |
| 1838 | China Properties Group | 23-02-07 | 3.4900 | 3.6000 | 4.5071 | 20711.65 | 1873229000 |
| 1383 | Hong Long Holdings Limited | 22-02-07 | 2.2300 | 1.8000 | 0.2747 | 20809.23 | 1040250000 |
| 546 | Fufeng Group Limited | 08-02-07 | 3.0500 | 2.2300 | 0.0318 | 20735.05 | 1660000000 |
| 3313 | Meadville Holdings Limited | 02-02-07 | 2.3100 | 2.2500 | 0.1747 | 20563.68 | 2000000000 |
| 1889 | Wuyi International | 01-02-07 | 1.9600 | 1.8000 | 0.1847 | 20430.16 | 1709772500 |
| 1808 | Tai-I International Holdings | 11-01-07 | 1.6400 | 1.6600 | 0.2154 | 19385.37 | 600000000 |

