

Contents

1	Introduction	1
1.1	Motivation: Private Placement in China and Its Popularity	1
1.2	Findings on Offering Discount	3
1.3	Findings on Announcement Effect	4
1.4	Findings on Long-Term Performance	5
1.5	Contribution of the Study	5
	References	6
2	Literature Review	9
2.1	Private Benefits of Control and Tunneling	10
2.2	The Choice Among Equity Refinancing Methods	11
2.3	Discount Determination	13
2.3.1	Announcement Effect	15
2.4	Long-Run Performance	17
2.5	Back to Tunneling: A Critique on the Literature	18
	References	19
3	Choice of the Issuing Firm and Its Controlling Shareholder	21
3.1	Hypothesis Development	22
3.1.1	A Firm's Choice Between Private Placement and SEO	23
3.1.2	The Largest Shareholder's Decision to Participate in a Private Placement	25
3.2	Data	26
3.2.1	Sample Selection	26
3.2.2	Sample Statistics	27
3.3	Methodologies and Variable Construction	30
3.4	Empirical Tests	32
3.4.1	Descriptive Statistics and Mean-Difference Analysis	32
3.4.2	Regression Analysis	35
	References	38
4	Determinants of Private Placement Discount	39
4.1	Hypothesis Development	39

4.2	Sample Construction	41
4.3	Methodologies and Variable Construction	41
4.4	Empirical Tests	44
4.4.1	Descriptive Statistics and Mean-Difference Analysis	44
4.4.2	Regression Analysis	44
4.5	Robustness Check	50
	References	52
5	Announcement Effect	53
5.1	Hypothesis Development	54
5.2	Methodologies and Variable Construction	55
5.3	Empirical Tests	56
5.3.1	Descriptive Statistics and Mean-Difference Analysis	56
5.3.2	Regression Analysis	61
	References	63
6	Long-Term Performance of Private Placements in China	65
6.1	Research Agenda	66
6.2	Methodologies and Data	66
6.2.1	Sample Selection	66
6.2.2	Calculation of the Long-Run Abnormal Return	67
6.3	Empirical Results	70
6.3.1	The BHAR Method	70
6.3.2	The Calendar-Time Portfolio Method	73
6.4	Operating Performance Before and After the Placement	74
6.4.1	Robustness Test	77
	References	78
7	Conclusion: From the Perspective of Interest Parties	79

Private Placement of Public Equity in China

Song, P.

2014, XVI, 80 p. 3 illus., Softcover

ISBN: 978-3-642-55092-8