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- CUHK is ranked 49th in the QS World University Rankings 2019.
- CUHK is based on a collegiate system of nine colleges.
- CUHK has 20,000 students; 4,000 of whom are from outside Hong Kong.

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- The Dean is Professor Kalok Chan.
- The Business School comprises two schools – Accountancy, Hotel & Tourism Management; and four departments – Decision Sciences & Managerial Economics, Finance, Management and Marketing.
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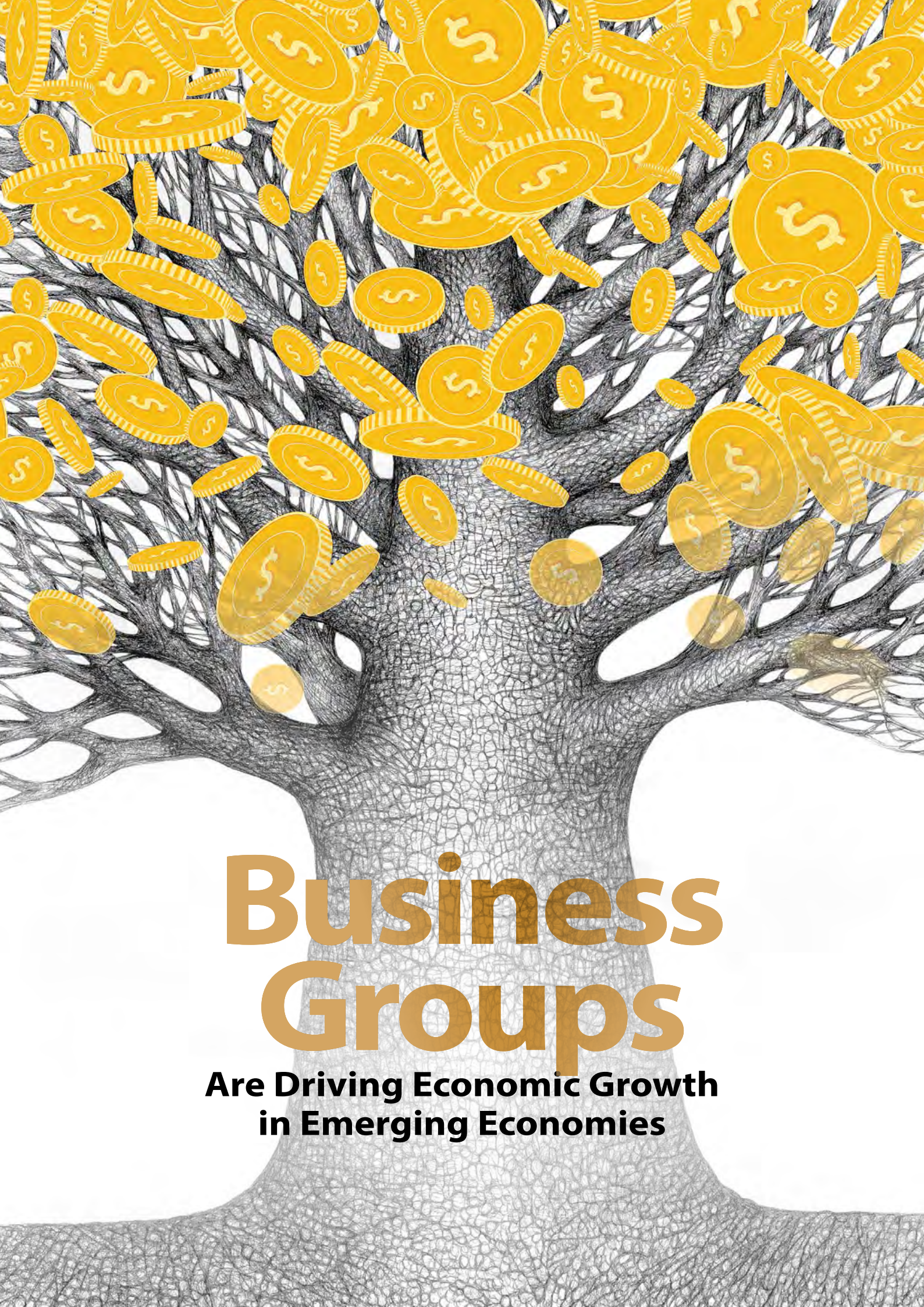
The Dialogue with Women CEO series aims to empower the next generation through exchange of views on business and social issues.

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Business Groups

**Are Driving Economic Growth
in Emerging Economies**

CUHK research reveals the significant role of business groups as powerful drivers behind the emerging economy, with Chinese conglomerates increasing their global presence

Written by Mabel Sieh

Managing Editor, China Business Knowledge @ CUHK

Our world is connected. This is true in all walks of life and the business world is no exception. According to a report by Forbes, 69 percent of the 2,533 firms in 26 emerging markets are family-owned. Hutchison Whampoa Limited, owned by famous Hong Kong tycoon Li Ka-shing, is just one example of a powerful business group.

“A business group is a collection of legally independent firms that are bound by formal economic ties such as ownership, financial and commercial relationships, as well as informal and social ties such as family, kinship and friendship,” says Daphne Yiu, Professor and Chairperson of the Department of Management at The Chinese University of Hong Kong (CUHK) Business School.

These intricate relationships between the world’s most powerful companies and the global economy have deeply interested Prof. Yiu, a management scholar focused on corporate governance, strategy in emerging economies and corporate and social entrepreneurship.

Influential Business Groups in Emerging Economies

“Business groups carry unique names in different countries. For example, *qiye jituan* in China, *keiretsu* in Japan, *chaebol* in Korea, *business houses* in India, *grupos*

economicos in Latin America and *family holdings* in Turkey,” Prof. Yiu explains.

Apart from Hutchison, she has examined other influential business groups in emerging economies, such as Tata Group (India), Samsung (South Korea) and Sinopec (China).

“Tata Sons has business affiliates in information systems and communications, metal, energy, consumer products, engineering services and products, chemicals, as well as in financial and hotel services,” she says.

According to Prof. Yiu, business groups have key attributes. Each group has diversified businesses across industries and regions. The common ties among affiliate firms vary from cross-shareholding, interlocking directorates to loan dependence, transaction of intermediate goods and social relationships.

There is also a typical core entity, offering common administrative or financial controls and managerial coordination. This allows business groups to become the movers and shakers behind our global economy.

“The top *chaebols* in Korea accounted for 50 percent of Korea’s GDP in 2002, and the figure rose to 60 percent in 2008, then to nearly 80 percent in 2017. The top five

groups: Samsung, LG, Hyundai, SK and Lotte accounted for 60 percent of Korea’s GDP of the same year,” Prof. Yiu explains.

Chinese Business Groups Rising to Global Presence

As an integral part of the global economy and a recognised rising power, China has gone through a remarkable transformation in the last few decades.

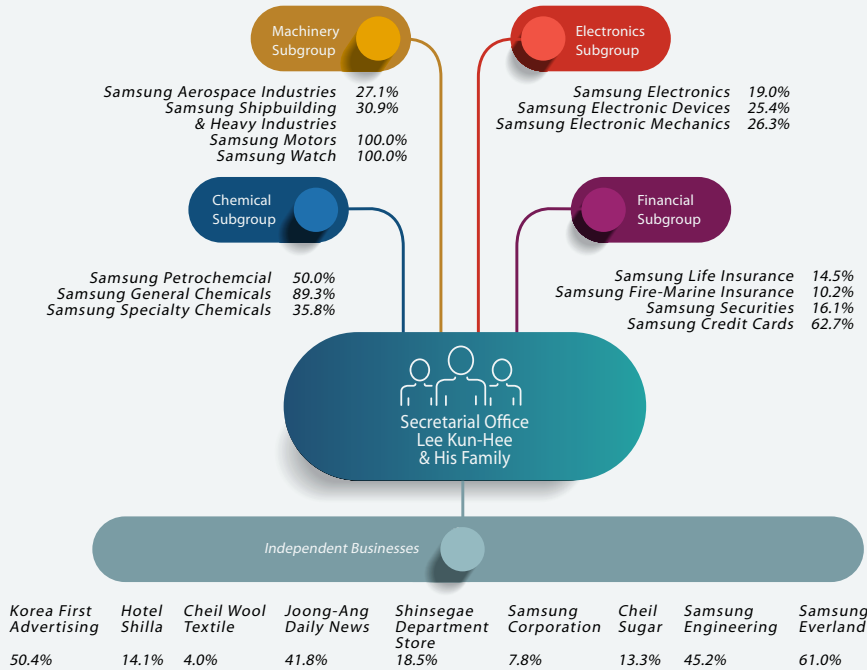
“Over the last three decades, Chinese business groups have grown from being non-existent to the outside world to becoming champions in the global economy. Currently, there are more than 3,000 business groups in the country,” says Prof. Yiu.

This pivotal change has been made possible because of the Chinese government’s determination and initiative to transform its state-owned enterprises (SOEs) to modernised and corporatised business groups – a key objective of Enterprise Reform in the country.

“Since the 2000s, the total assets and sales of China’s business groups have grown at around 20 percent per annum in real terms, much faster than the national economy as a whole,” says Prof. Yiu.

This growth has brought China extraordinary profits, as she continues to explain: “For example, Sinopec, the oil and

SAMSUNG

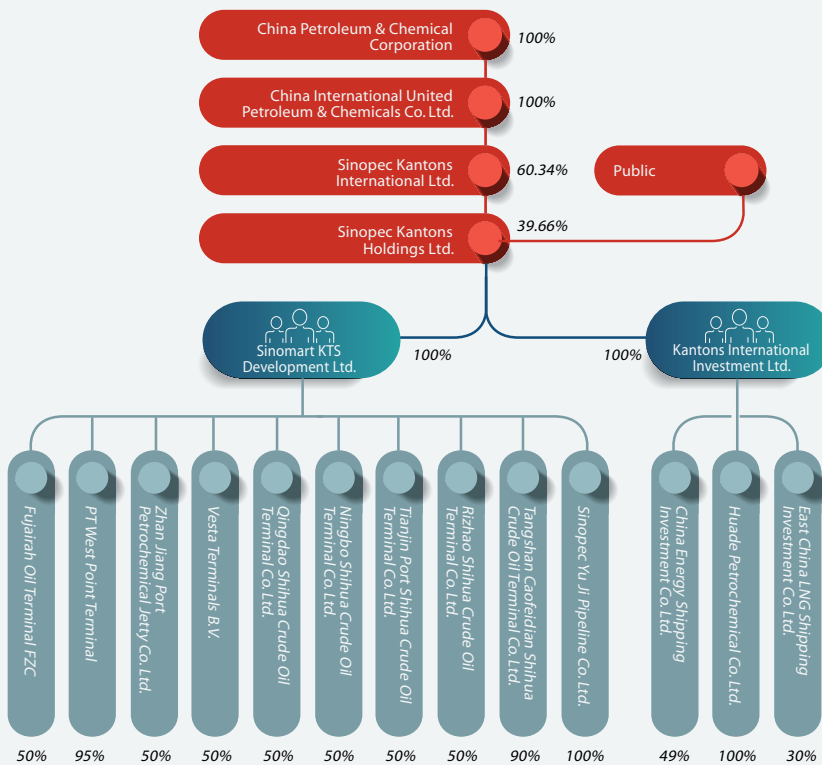


“ Business groups create an internal capital market with the capacity to lower costs. Whenever necessary, they can rotate managerial talent to member firms. They can also invest under a unified umbrella brand with a reputation for fair dealing, and assimilate foreign technology through cooperative arrangements with the groups. These are all effective solutions for emerging economies. ”

– Prof. Daphne W. Yiu

gas national champion and one of China’s largest business groups by revenue, earned about US\$340 billion in 2017, which was comparable to Hong Kong’s GDP of the same year.”

SINOPEC



In 2017, a record 120 Chinese business groups were included in the list of Fortune Global 500, only six places behind the United States, the top performer. The world’s 500 largest companies in 2017 generated US\$30 trillion in revenue and US\$1.9 trillion in profits. Together, these Fortune Global 500 companies employed 67.7 million people worldwide and were represented by 33 countries.

The year 2017 also marked the 15th consecutive year that Chinese companies increased their presence on the global list, as three of the top five were Chinese business groups: State Grid, Sinopec and China National Petroleum Corporation.

Success Factors for Chinese Business Groups

It takes great momentum for business groups to become movers and shakers of the global economy, especially in emerging markets. From her past and ongoing



research and observations, Prof. Yiu has identified three crucial factors behind the success of Chinese business groups.

Firstly, these business groups constitute a micro-institutional environment to provide strategic solutions for market imperfections.

“Business groups create an internal capital market with the capacity to lower costs. Whenever necessary, they can rotate managerial talent to member firms. They can also invest under a unified umbrella brand with a reputation for fair dealing, and assimilate foreign technology through cooperative arrangements with the groups. These are all effective solutions for emerging economies,” she says.

A second crucial success factor is governance, which is of paramount importance to every business and a healthy economy. In the unique case of China, where most enterprises are state-owned and the government still has most of the control of the economy, corporate governance remains a challenge. According to Prof. Yiu, that is also why business groups can manifest a unique role.

“In our recent study, we found strong evidence that business groups provide an alternative governance mechanism in preventing group affiliates from committing

corporate financial fraud,” she says. “Such governance is achieved by an effective, internal monitoring mechanism through aligning incentives among group affiliates for the collective benefits of the whole business group.”

Finally, for any business to grow and remain sustainable, it also needs institutional support from the government.

“To help business groups to grow and flourish, the Chinese government has offered a variety of help: speeding up their applications for foreign direct investment projects; granting them access to foreign currency, domestic tax breaks and research institutions, just to name a few,” says Prof. Yiu. “Their special ties with the government also attract collaborations from foreign partners in their own domestic markets, as well as in China. This provides more business connections and learning opportunities for Chinese business groups who are moving towards internationalisation.”

As business groups play such a dominant role in the emerging economy, Prof. Yiu believes they will continue to assert great influence, both in China’s national economy and that of the global economy.

“These business dynamos will keep shaping the global competitive landscape. For this

reason, foreign multinationals have to update their knowledge and keep abreast of how organisational form and firm strategy are closely related to the institutional environments of both the home country and the host country,” says Prof. Yiu.

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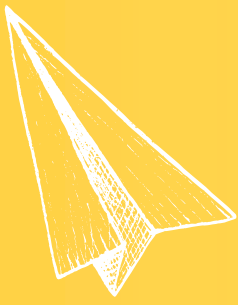
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Prof. Daphne W. Yiu

Daphne W. Yiu is the Chairperson and Professor in the Department of Management at The Chinese University of Hong Kong. She received her PhD in Management from the University of Oklahoma. Her research focuses on corporate and international strategy, corporate governance, and international entrepreneurship. Professor Yiu has published in leading management journals and is currently Senior Editor at *Journal of World Business* and *Asia Pacific Journal of Management*, Editor at *Corporate Governance: An International Review*, and incoming Associate Editor at *Academy of Management Journal*. She was elected as the President and Fellow of *Asia Academy of Management*, *Representatives-at-Large at the Strategic Management Society*, and is serving at *RGC Business Studies Panel*.



How the
US-China
Trade Dispute

Will
Move
Forward



Why the United States went from a 19th-century violator to a champion of intellectual property rights may show how the trade dispute with China will move forward

Written by Guy Haydon

Contributor, China Business Knowledge @ CUHK

There is growing uncertainty about how recent trade disputes between the United States and China will be resolved, and how it could affect the rest of the world.

Academics from The Chinese University of Hong Kong (CUHK), City University of New York, and the University of Texas in Dallas who examined the two countries' global trading history and relationship believe they can provide valuable insights into the possible outcome.

In November 2018, the trade dispute ceased for 90 days to allow for more talks. The Chinese President Xi Jinping and American President Donald Trump came to this agreement on 1 December in Buenos Aires at the end of the G20 summit; their first talks since the trade dispute began. Representatives from the two nations then held two days of talks at the end of January, with the United States saying they were considering a trip to Beijing in early February to resume negotiations. The trip was ruled out by Donald Trump, but several rounds of talks commenced later in the month.

In April, White House economic adviser Larry Kudlow reportedly said that China had admitted to the US that the accusations that Beijing engages in intellectual property theft were true.

"Given the scope and scale of potential intellectual property rights (IPR) violations

in China, the US has frequently sought better IPR protection in China and has been concerned by what they see as a lack of progress, in spite of recent improvements," says Prof. David Ahlstrom of CUHK Business School, referring to his study entitled 'History and the Debate Over Intellectual Property'.

Prof. Ahlstrom has been named by the Clarivate Analytics list of Highly Cited Researchers 2018 as one of the world's top researchers who has demonstrated significant influence by publication of multiple highly cited papers during the last decade from 2006-2016.

He and his co-authors of the paper, Prof. Mike W. Peng and Prof. Shawn M. Carraher of the University of Texas at Dallas, and Prof. Shi Weilei (Stone) of City University of New York share similar points of view. They believe that the key to predicting the future development of IPR lies in a deeper understanding of the history of US IPR development, which reveals interesting historical parallels with the current situation in China.

"Many people take for granted that the US is a leading IPR champion and China is a leading IPR violator," Prof. Ahlstrom explains. "Yet as recently as the 19th century, the US was a leading IPR violator."

For more than 100 years, between the founding of the United States in 1776 and

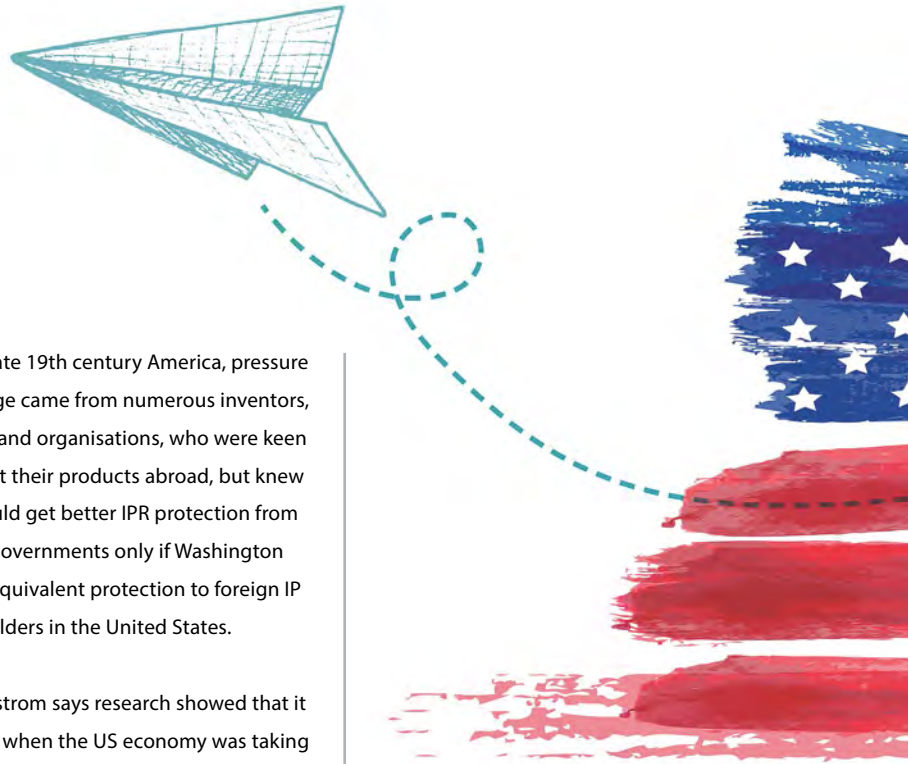
the enactment of the Chace Act in 1891 – which gave US copyright protection to citizens of other countries and a similar degree of protection to US citizens – the pirating of British and foreign publications, such as books, and entertainment, such as stage plays, was widely practiced by numerous Americans.

The United States, with its lower levels of literary and economic development, was slow to introduce the protection of foreign IPR because it knew the potential benefits would simply go to foreign inventors, authors and firms, such as British publishers, while domestic consumers would face higher costs for books, media products and innovative goods.

Even US author Edgar Allan Poe copied works of British authors for his co-authored 1839 textbook on molluscs. And it was the only book that Poe made much money on in his lifetime.

"Such plagiarism was quickly discovered," says Prof. Ahlstrom. "Poe admitted as much in his own writings, but with no international copyright agreement, the original British publisher had no recourse."

The professor adds that while China's current IPR laws were generally well-crafted and had pushed much of the IPR violation underground, enforcement is weak.



"Thousands of firms and tens of thousands of individuals have made rational decisions – from their standpoint at least – to engage in piracy and counterfeiting," he says.

For proven violations, current Chinese law generally imposes a maximum fine of one million yuan (US\$160,000). However, the average award is only 190,000 yuan (US\$30,000) – hardly enough to deter potential violators and that amount may not even cover legal costs.

Stronger IP protection, such as criminalising all counterfeiting activities – instead of only large-scale counterfeiting above a certain threshold – is likely to significantly reduce counterfeiters' incentives.

Beijing's reluctance to increase the maximum fine for IPR violations may be the result of concerns that at this relatively early stage of China's development, satisfying US IPR demands may result in foreign, and primarily US IP rights holders benefitting more: In short, costs may exceed benefits.

"An institution-based view of IPR history suggests that both the US refusal to protect foreign IPR in the 19th century and the current Chinese lack of enthusiasm to meet US IPR demands, represent rational choices," explains Prof. Ahlstrom.

"However, as cost-benefit considerations change, institutional transitions are possible," Prof. Ahlstrom says, citing the work of Prof. Mike Peng.

Back in late 19th century America, pressure for change came from numerous inventors, authors, and organisations, who were keen to market their products abroad, but knew they would get better IPR protection from foreign governments only if Washington offered equivalent protection to foreign IP rights holders in the United States.

Prof. Ahlstrom says research showed that it was only when the US economy was taking off, and its IP production was extensive enough, that it felt it could extend IPR protection to foreigners.

He adds that since the 2000s China had actively promoted innovation and IPR – with patent applications rising from 476,000 in 2005 to more than 1.2 million in 2010. Today it is the world leader in patent applications.

Given the domestic and international complaints about the lack of IPR expertise among judges, China has also set up a system of specialised IP courts led by judges specifically trained in IPR enforcement.

As a result, IPR litigation has skyrocketed, with China now the world's most litigious IPR nation, in terms of the number of cases.

This change is a result of foreign pressure, greater invention by firms and citizens and the gradual public recognition of the wider financial benefits of stronger IPR protection. Both the Chinese government and businesses realise that more sustained economic growth will increasingly need to draw on IPR.

Prof. Ahlstrom adds that China's economic development will help improve IPR protection, just as US economic development did in the 19th century. Poor countries still have little IPR to protect themselves.

As inventive capacity emerges, competition is often based on imitation. Therefore most economic and political interests prefer weak IPR protection. However, when an economy develops further, additional inventive capacity and demands for high-quality products emerge. Commercial lobbies demand effective protection – a domestic interest that coincides with the foreign interest in better IPR protection.

US businesses that are now complaining about IPR violations in China could also learn how British authors, composers and firms dealt with American counterfeiters over 100 years ago, according to Prof. Ahlstrom.

For example, British composers Gilbert and Sullivan brought their entire troupe to New



York to perform the comic opera *The Pirates of Penzance*. By doing this, they succeeded in wrong-footing the copycats, who had paid no royalties when performing their earlier hit, *HMS Pinafore*.

In contemporary China, many multinationals have adapted to Beijing's IPR system by using a Gilbert-and-Sullivan-style pre-emptive strategy, he explains.

Specifically, they quickly file patents and trademarks, including Chinese language trademarks, or set up strategic alliances with dependable Chinese partners, which makes major patent infringement more difficult.

Prof. Ahlstrom says that showing how the US has transformed itself into a leading IPR champion, could throw light on the current US-China debate on IPR.

"We predict that to the same extent that the US voluntarily agreed to strengthen IPR protection when the US economy became sufficiently innovation-driven, so China will similarly enhance its IPR protection," Prof. Ahlstrom says.

“ We predict that to the same extent that the US voluntarily agreed to strengthen IPR protection when the US economy became sufficiently innovation-driven, so China will similarly enhance its IPR protection. ”

– Prof. David Ahlstrom

"We further predict that when Chinese IPR is significantly violated abroad, China will become more serious about IPR protection. Therefore, we suggest that China's domestic innovation policies need to be strengthened instead of discouraged by foreign IP rights holders, governments, and other stakeholders," he adds.

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Prof. David Ahlstrom

David Ahlstrom (PhD, New York University) is a Professor in the Department of Management at The Chinese University of Hong Kong. His research focuses on innovation, entrepreneurship, and China business. More recently, he has been researching intellectual property rights and economic growth. Professor Ahlstrom has published numerous papers in international journals, as well as an international management textbook. He has extensive teaching and consulting experience. He has also served as Chief and Senior Editor of *Asia Pacific Journal of Management* and *Journal of World Business*. Recently, he was recognised as one of the most highly cited researchers worldwide in management over the past decade by Clarivate (formerly Thomson Reuters).



Can the **Wisdom** of **Crowds**

Correct Positive Bias of China's State-run Media?

A study of corporate news reports shows social media stock market posts offer more accurate and reliable information than traditional newspapers

Written by Guy Haydon

Contributor, China Business Knowledge @ CUHK

Autocratic regimes control traditional media and use optimistically biased news reports – including corporate news – to strengthen their political power. This is because they know negative news can destabilise the economy and weaken their position.

In China, new forms of social media, such as online stock platforms which rely on the ‘wisdom of crowds’ for independent user-generated content, are now supplying market information.

Can this form of social media correct the bias of traditional media by providing less positively biased corporate information to the market?

Three accounting academics – Professor Zhang Tianyu at The Chinese University of Hong Kong (CUHK) Business School, Assistant Professor Eric Wang at The Chinese University of Hong Kong (Shenzhen), and Professor T.J. Wong at the University of Southern California – carried out research to find out the answer.

Their study, entitled ‘Does Chinese social media correct the optimistic bias of traditional media?’ used a comprehensive sample of corporate news reports from traditional, state-controlled newspapers and the analyses and opinions of stocks and shares of investors on the online stock forum *East Guba* between 2009 and 2016.

“The objective was to examine whether Chinese social media corrects the positive spin or bias often found in traditional media, economic and stock market reports by providing more neutral or accurate corporate information,” says Prof. Zhang.

Prof. Zhang explains that China offers a great setting to study whether the wisdom of social media crowds can correct the optimistic bias of traditional media in an autocratic regime.

“Although the equity market was established only in the early 1990s, it has grown to have more than 3,000 firms listed in its two domestic stock exchanges,” he says. “Newspaper coverage of these firms is vast, with more than 70 state-owned

traditional newspapers spanning most of the provinces in the country,” he adds.

Different Tones between Traditional and Social Media

During the study period, about 146 million posts were left on *East Guba* – comprising 83,000 posts per trading day – covering more than 3,000 listed firms in China.

The final study sample comprised more than 970,000 firm-day observations. There was at least one news article from traditional media and three postings from *East Guba* for each company on the same day.

The academics used a machine learning method to work out the tone of each article and post. They then aggregated the tone of each type of media for each firm on each day to create a comparison.

By comparing the tone of articles and posts about the same firms on the same day, they considered whether mainland social media plays a monitoring role by remaining less biased in its content when traditional media reports are likely to be more optimistically biased.

“When the same events are covered by Chinese social media and traditional media, the corporate news reports in state-run media and in social media posts are unlikely to share the same degree of positivity, if the tone of traditional media reports is positive, rather than neutral or negative,” Prof. Zhang says.

State-controlled traditional media is often more concerned about creating a crisis, and is aware that investors’ attention is more likely to be heightened when the stock market or businesses experience bad news rather than good news. By contrast, traditional media is likely to be more positively biased in its news reports when the tone is optimistic, and more restrained – and less likely to have distorted news – when the tone of its reports is neutral or negative.

“We found that there is a positive correlation in the tone of the traditional state-run reports and social media posts

about the same company on the same day,” Prof. Zhang says.

The Monitoring Role of Social Media against Government Bias

The study also examined whether social media actually supplies less biased information, which can serve as a benchmark for accurately illustrating traditional media’s optimistic bias. This is done by evaluating the stock return responses to the different tones of the two types of media.

The researchers found that the positive correlation is significantly reduced when the tone of the newspapers is positive.

“This finding is consistent with our conclusion that *East Guba* plays a monitoring role in correcting the bias of state-owned media. It also suggests that the tone of *East Guba*’s posts is less optimistic than that of the state-run newspaper reports, at times when traditional media organisations are more likely to print positively biased articles.”

Further analyses showed that political factors, such as state ownership of the firms covered in reports and the political sensitivity of the periods when the articles were posted, also shaped *East Guba*’s monitoring role in correcting the bias shown by newspapers. The contributors to these online stock forums are individuals, not state employees. Therefore, their views were unlikely to be controlled or influenced by the state.

“The business model of these online platforms relies on the ‘wisdom of crowds’ to provide valuable information to the community,” Prof. Zhang says. The academic added that it was easier for the regime to control editors working in traditional media and a small set of journalists under their direct control, rather than the crowd on social media.

“As social media users post their opinions online, they are providing an independent interpretation of the news that serves as a check against the bias of the traditional media,” explains Prof. Zhang.

“ Our results show that in China, social media’s reliance on the ‘wisdom of crowds’ can help to shelter itself from the mainland government’s direct intervention and provide corporate news that can serve as a check against the positive bias of traditional media. ”

– Prof. Zhang Tianyu

The Impact of Censorship

However, it was also possible that social media websites would be subject to censorship, meaning that the government could delete highly critical posts or force social media contributors to refrain from adding negative posts due to self-censorship.

Prof. Zhang says this could be true especially during politically sensitive periods, such as when the Chinese government grew concerned about stability and banned shareholders with stakes of more than five percent from selling shares for the next six months, following the 2015 stock market crash. This saw Chinese share prices fall by nearly a third.

Prof. Zhang explains that the study showed the general tone of traditional media was overwhelmingly positive – with 77.9 percent of reports positive, while posts on social media were largely negative, with only 13 percent of posts positive.

“The tone difference confirms prior research that traditional media is likely to be positively biased, while social media is less positively biased,” says Prof. Zhang.

Further analyses showed that the traditional media bias and the role of social media to regulate and correct traditional media bias were affected by political incentives.

In the period after the government’s 2015 intervention, there was a more significant drop in the positive association of the tone between traditional and social media when the traditional media’s tone was positive.

“This is consistent with our conclusion that the government has put more pressure on the state-controlled traditional media to remain optimistic, even after the market intervention. There is anecdotal evidence that the government pressured traditional media to be optimistic in its reporting during the stock market intervention,” he explains.

The study also found that social media failed to play its monitoring role during the period around the National Congress meetings – the party congress held in Beijing every five years. During the party congress period, the number of social media posts drops significantly while the number of traditional media articles increases significantly.

Prof. Zhang says this was consistent with earlier studies that found that Chinese companies suppressed the release of negative news in the years around the National Congress.

Media Tone and Stock Returns

The study also focused on whether media bias – as indicated by the deviation in the tones of the two types of media – could also be reflected in differences in stock return responses to the information that the media supplies.

They found that when traditional media are more positively biased, as indicated by the divergence in tone between traditional and social media, the stock return response to the traditional media decreases significantly.

“This suggests that the market could see through – at least partially – the bias and discount the information contained in the positive tone of the traditional media,” Prof. Zhang says.

Yet, the researchers did not find any change in the stock return response to the tones of social media – when it deviates, either positively or negatively from that of traditional media.

“This confirms our prior belief that social media is less biased – more neutral – and the market credulity does not change,” Prof. Zhang adds.

The First Study on Social Media in an Autocratic Government

The research has offered a number of interesting findings under an autocratic government.

“This is the first study of whether, in an autocratic government, social media corrects the biased corporate news of traditional media by supplying less biased information to the market,” he says.

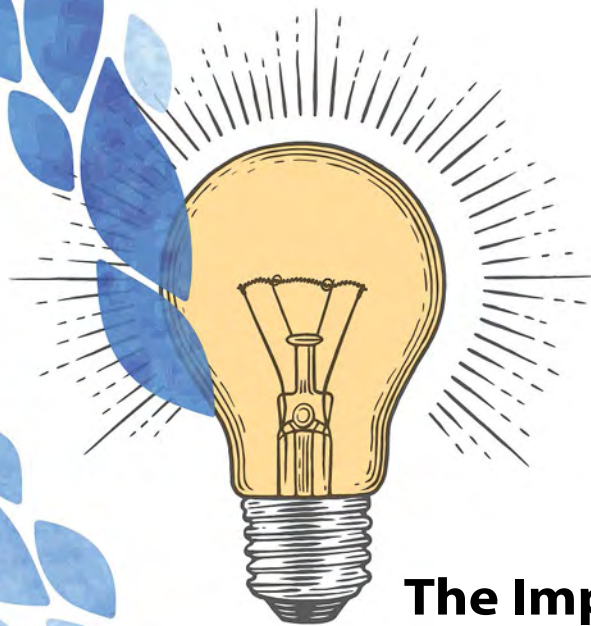
“Our results show that in China, social media’s reliance on the ‘wisdom of crowds’ can help to shelter itself from the mainland government’s direct intervention and provide corporate news that can serve as a check against the positive bias of traditional media.

“We have also provided new evidence that in China, the market can discount – at least partially – the positive bias of traditional media,” says Prof. Zhang.



Prof. Zhang Tianyu

Zhang Tianyu is a Professor in the School of Accountancy at The Chinese University of Hong Kong. His research focuses on political institutions and governance in China’s emerging market. His recent research utilises the application of textual analysis in providing an understanding in China’s institutions. Prof. Zhang has published in top accounting, finance and economics journals. He has been named the second most prolific author by Abacus, with six papers on the Chinese capital market published in Tier 1 journals and a total of 2,493 citations during the 1999-2018 period. His research has been featured by overseas media such as Wall Street Journal and Associated Press, and domestic media such as Caixin. Prof. Zhang is now sitting on the editorial board of The Accounting Review and Contemporary Accounting Research.



The Importance of
**Prospectus-
based
Disclosure**

**in the Interpretation
of IPO Pricing
Outcomes**

How does discretionary disclosure practice shape IPO capital funding and investor returns?

Written by Paul B. McGuinness

Professor, Department of Finance

My recent publication in the *European Journal of Finance* assesses the link between voluntary prospectus-based disclosure and a range of IPO pricing outcomes¹ for issuers listing on HKEX. A significant amount of disclosure is necessary for an entity contemplating stock listing on an organised exchange market. For any firm granted initial public offering (IPO) approval, publication of a listing prospectus precedes the general invitation for investor subscriptions.² Prospectus disclosure information is wide-ranging and addresses, among other things, the listing entity's business focus, ownership, governance, industry and regulatory background, as well as its pre-listing financial performance. As a legal document, the mass of prospectus information on offer serves an important role in reducing information asymmetry between insider-owners and outside public investors. Careful study of such prospectus disclosure potentially helps in attenuating investors' adverse selection risks. Two of the pivotal areas to consider in this regard are the issuer's declarations on risk factors and planned use of issue proceeds. The voluntary or discretionary disclosure component concerns the amount of detail divulged. While all issuers provide some level of disclosure on both risk factors and planned fund uses, the level of coverage varies considerably across IPO firms.

With regard to declarations on risk factors, issuers and their advisors typically disclose on (1) macroeconomic, (2) business, and (3) offer-based risks. For the second area of disclosure on planned use of proceeds, issuers routinely earmark funds to at least one of the following: (1) Drawing-down liabilities, (2) new investments, and (3) working capital. In many IPOs, issuers indicate an intention to channel proceeds to all three end uses. The question then of course is how does the balance of declared risk factor and intended fund uses impact on pricing outcomes?

The outcomes of relevance include the 'fixing' of final offer price, IPO subscription demand, initial investor returns, after-market stock volatility and liquidity, and longer-run returns. A pivotal issue is whether disclosure is exogenous or endogenous. The latter presupposes that declarations anticipate subsequent pricing outcomes. Exogenous disclosure suggests voluntary declarations shape pricing outcomes.³ In reality, most disclosure contains endogenous and exogenous elements. The challenge is thus one of determining which of the two dominates. I discuss more on this topic later in this piece.

In my study, discrete risk factor counts yield significant explanatory power.

Issue-based counts exert short-lived effects on return volatility. On the other hand, business and global risk factor counts bear little connection with initial pricing, but display strong negative linkage with long-run returns. Issue-based enumerations thus forewarn on adverse-selection, while non-issue counts inform on the longer-run.

With regard to my study's second major disclosure area, greater assignment of issue proceeds to real investment (debt repayment) supports (weakens) IPO subscription. Final offer prices thus tend to be higher in firms that explicitly prioritise growth options. The price formation process strongly embeds this outcome. Firms stressing greater focus on investment uses are more likely to price new stock at the top of disclosed offer ranges. Such findings offer prescriptive value for issuers and supporting bank sponsors: Greater 'specificity'⁴ on growth options typically boosts issue proceeds.

My study also suggests that greater assignment of proceeds to growth options benefits subscribers, given the enhanced initial and after-market returns that ensue. In contrast, greater de-leveraging uses correlate with weaker initial and after-market returns. Strong liquidity effects are also apparent. Greater allocation of IPO proceeds to investment underlies more stable



post-listing trading volumes. Again, the opposite holds for entities prioritising fund use for debt repayment. Analysis of the foregoing effects deepens and develops the IPO literature.

My analysis also assesses risk factor and IPO fund use determinants. To some extent, an issuer's (and its associated advising banks') management of legal risks determines disclosure form. Under certain circumstances, legal risk promotes voluntary disclosure, while an issuer's desire to preserve competitive advantage circumscribes disclosure. My empirical results suggest that risk factor counts and debt repayment uses are both increasing in the reputation of the appointed bank sponsor.

The determination of risk factor counts and fund uses also serves in generating instrumental variables for my study's in-depth assessment of causality. Baseline equations presuppose that IPO pricing outcomes are a function of the two major disclosure items. Such a structure assumes exogenous disclosure. However, there is always the possibility that declarations on risk factor counts and fund uses anticipate subsequent pricing outcomes. Overall, baseline results appear resilient to the inclusion of instrumental variables.

In summary, my recent article in the *European Journal of Finance* offers guidance on how listing firms' disclosure practice shapes investor demand,

final offer price determinations, IPO underpricing, after-market return volatility, stock liquidity, and longer-run returns. The form and extent of voluntary disclosure exerts notable impact on many of these dimensions. Investors might therefore wish to consider perusing the content of prospectus pronouncements on risk factor and fund uses. My study also offers guidance for founders and entrepreneurs wishing to do IPO. Among other things, disclosures that signal greater commitment, and thus detail on an issuer's real option plans, act in supporting more favourable pricing outcomes. Above all, the vibrancy and scale of the local IPO market⁵ amplifies the importance of my study's empirical findings on primary market disclosure.

References:

[1] Paul B. McGuinness, 2019. Risk factor and use of proceeds declarations and their effects on IPO subscription, price "fixings", liquidity and after-market returns, *The European Journal of Finance*, Online 3 February 2019 (<https://www.tandfonline.com/doi/full/10.1080/1351847X.2019.1572023>).

[2] IPOs on the HKEX Main Board separate offer shares into international "book-built" placing and local retail investor tranches. For the retail tranche, investors apply shortly after prospectus release, with applications subject to ballot if oversubscription occurs. For the book-built component, relevant banks collect information on investors' preliminary indications of interest in the run-up to prospectus release. However, determination of share allocations only occurs as listing nears, and thus sometime after prospectus release [see Sherman and Titman (2002, *Journal of Financial Economics*, 63: 3-29) for discussion of the book-building process]. The exception is where investor parties broker a contractual commitment ahead of prospectus release, commonly known as a Cornerstone agreement. The relevant issue prospectus must offer detailed disclosure on such allocations. For discussion

of Cornerstone agreements and some of the related Exchange disclosure requirements, see McGuinness (Indian Management, February 2016: Article available at: <https://www.bschoo.cuhk.edu.hk/featured-stories/boosting-investor-confidence/>).

[3] For detailed discussion of the properties and characteristics of exogenous and endogenous disclosure, see Leone, Rock & Willenborg (2007, *Journal of Accounting Research*, 45: 111-153).

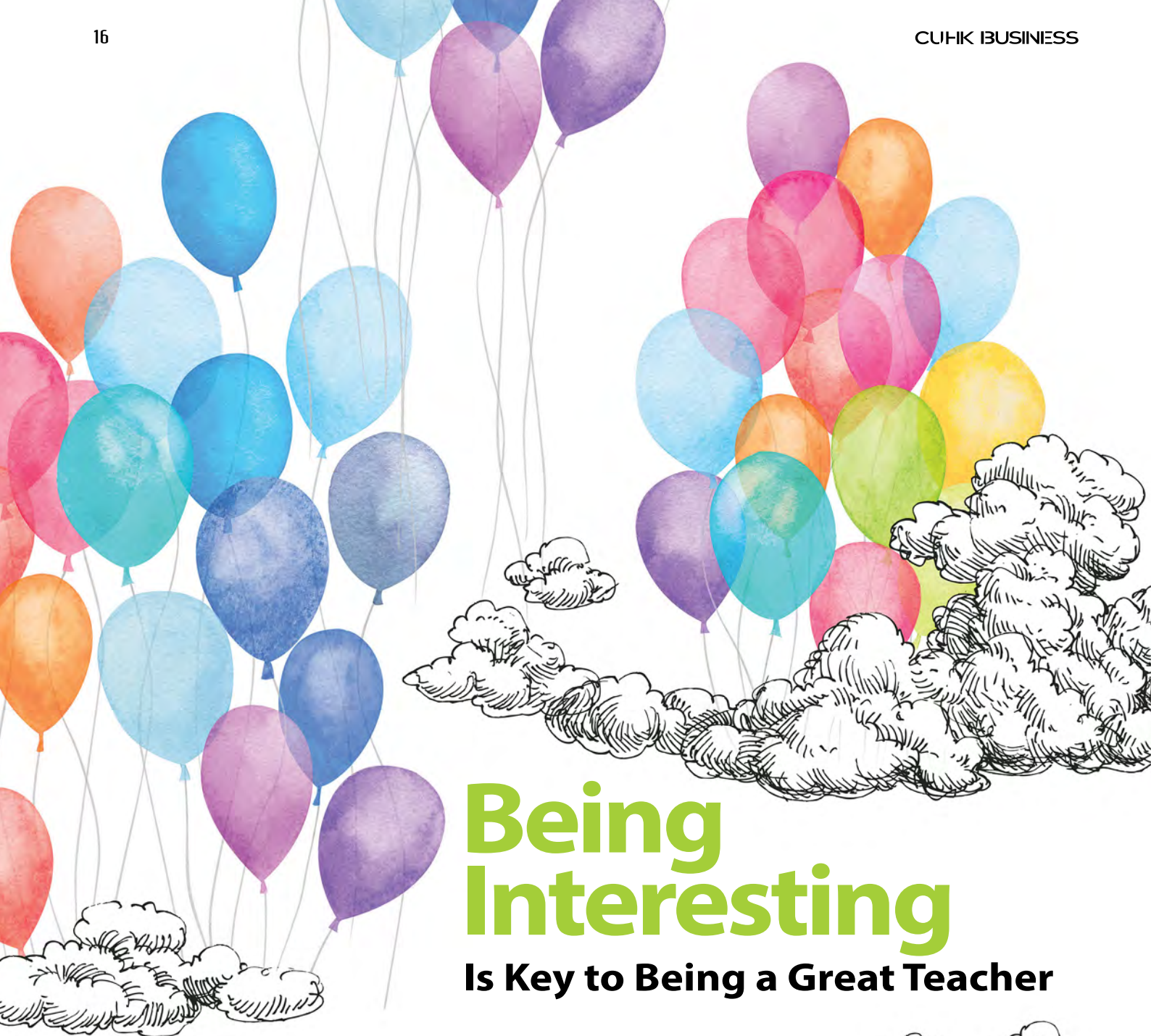
[4] In the sense of Leone et al. (2007, Op. Cit.).

[5] HKEX attracted more capital funding for new listing firms than any other IPO setting in 2018 (see PWC's Greater China IPO Watch 2018, Page 6, <https://www.pwccn.com/en/ipo/greater-china-ipo-watch-2018.pdf>). HKEX has achieved this top ranking six times in the period 2009-18 (see HKEX News Release, 21/12/2018: https://www.hkex.com.hk/News/News-Release/2018/181221news?sc_lang=en).



Prof. Paul B. McGuinness

Paul B. McGuinness is a Tenured Professor in the Department of Finance at The Chinese University of Hong Kong. His research focuses on securities analysis, corporate finance, governance and Chinese equity markets. He has published numerous papers in internationally refereed journals, as well as a book (*A Guide to the Equity Markets of Hong Kong*, Oxford University Press, 1999). Prof. McGuinness has extensive teaching and consulting experience. He has also served as Chairman of CUHK's Department of Finance for two separate four-year terms. Prof. McGuinness has degrees from the University of Leeds (PhD), University of Cambridge (MPhil) and University of Newcastle (BA Hons, First Class).



Being Interesting

Is Key to Being a Great Teacher

Always think big, but start small

Written by Louisa Wah
Contributor

If you brush shoulders with Prof. Fan Tingting in the corridor, chances are, you may pass her as one of the Business School students. She has such a youthful look and a frisky air about her, that it would be hard to believe she is a professor with several years of research and teaching experience under her belt, and a successful track record of helping students bring their business ideas to life – with great results, no less!

Meet Prof. Fan Tingting, the young scholar who joined The Chinese University of Hong Kong (CUHK) Business School in 2014 as an Assistant Professor in Department of Marketing. Her expertise lies in digital marketing, marketing management and new product management.

Prof. Fan's educational pedigree hails from the New York University Leonard

N. Stern School of Business, where she obtained her PhD in 2014. Prior to studying in the United States, she received her Master's degree in Economics and Bachelor's degree in Business Administration at Peking University.

In becoming a university professor, she has lived up to the aspirations of her family. She shares an insiders'



joke, "My mother was a kindergarten teacher and my father used to teach in elementary school. So we joked that if there was going to be another teacher in our home, she should be a university professor!"

In October 2018, she won CUHK's University Education Award. The award is the university's most prestigious award, recognising the exceptional work of faculty members who bring learning to life and inspire students to realise their full potential.

Upon receiving the award, Prof. Fan felt a great sense of encouragement – not just for herself but for all the research-oriented young academics who might not believe they could properly balance teaching and research. "It proves that teaching can be fun and enjoyable and is worth the effort," she notes.

In fact, 'enjoyable' and 'fun' are the keywords that describe her teaching style. How does she always manage to make her classes enjoyable and fun? Her unconventional reply, "By being an interesting person. A researcher's life is quite boring, so being interesting is what makes my life – and my classes – fun," she says.

As much as possible, she incorporates real-life examples and cases in her teaching so that her students are not just learning the theories but seeing how to put concepts to work in actual situations.

For example, she would talk to her students about how drug dealers ship cocaine from Columbia to the United States. "Not that it is a legal business, but still, it is a fascinating business, and there are a lot of marketing lessons we can glean from it."

"Interesting things are all around you. You just need to discover them with an open mind. You also need to put in some effort to find interesting things, which will in turn enrich your life," she emphasises.

Outside the classroom, Prof. Fan is constantly on the lookout for interesting things to share with her students from a marketing standpoint. She finds her students more excited and active if she introduces topics not found in any marketing textbook.

Window shopping, for example, is a rich fodder for her teaching materials. She notes that the mall near the university – the New Town Plaza – attracts a lot of mainland tourists who cross the border and perform shopping sprees over the weekends. She also notices how shops switch out very frequently – an indicator of what is trendy at the moment and what has gone out of style in the eyes of mainland consumers. This, to her, is a great way to study consumer behaviour and preferences of a specific market segment.

Another exciting exercise she has introduced to her students is to show them new films and ask them how they would predict box office sales, what data they would like to collect, and what model they would use. In the end, they will see which model of prediction is closer to reality.

When it comes to the subject of new production development, Prof. Fan would often ask each of her students to bring to class a product that has been newly introduced into the market or to come up with a new product concept themselves. If the products they have brought do not seem very interesting, she would try to come up with some suggestions of modification.

“*What you do today is helping you how to innovate tomorrow. So start with very small ideas, and sometimes, those small ideas will grow into big ideas in the future.*”

– Prof. Fan Tingting

For example, some students have come up with the idea of a mobile app that gives an alert to people to get off the train when they are approaching a certain station. But, according to Prof. Fan, this concept is not that groundbreaking because train rides in Hong Kong are relatively short and people don't usually fall asleep during their ride. So she suggested instead to improve the app by adding icons of famous sightseeing places and restaurants on the subway maps of all major metropolitan cities. Such an app would be very useful for tourists since no other apps perform a similar function.

"At the end of the day, when I suggest to my students an alternative idea, they would realise how to create different ideas and how these can be easily implemented," Prof. Fan remarks. "My goal is not to teach the outcome but the learning process. In class, there will always be students who get As and some who get Bs. I can't guarantee that everyone will get an A, but I can make sure they enjoy the learning process. Only then will they continue learning. If they don't even enjoy the process of learning, even if they get an A, they would stop learning. I don't think that's the purpose of education."

Prof. Fan also relies on news publications such as *The Wall Street Journal*, *Time* and *The Economist*, to turn

current events and emerging trends into case studies in her classes to illustrate theories. "The theories I teach may remain the same, but the examples I give are in sync with what is happening out there," she says.

"Because things are changing really fast in the digital economy, in order to be a good researcher and a good teacher, we need to be open-minded. I often look into the marketing of digital platforms and see how new tools can change the way people behave, how consumers make decisions and how that relates to the old principles. While the training I got was 'old school,' the basic marketing principles are – and will always remain – the same. It's important to study new behaviour. But consumers are still consumers whether they get their information from the mall or online."

Prof. Fan's research interest includes quantitative marketing, consumer experience with hi-tech products and services, digital marketing, branding, and empirical industrial organisation. Her research has won research grants from Wharton Customer Analytics Initiative, Marketing Science Institute, Product Development Management Association and Hong Kong Research Grants Council.

The research that has surprised Prof. Fan the most thus far, is her research in crowd-funding platforms. What she found was counter-intuitive – a potential funder is more likely to contribute to a crowd-funding campaign when the majority of early contributions are relatively small amounts, for example, US\$1. "If the majority of early funders contribute larger amounts, say, US\$100, potential funders are likely to infer that the money has come from family and friends and so are less likely to chip in," she explains. "I called it 'The Small-Predicts-Large Effect.' Entrepreneurs can

do well by remembering this when devising fundraising strategies."

What was her most satisfying moment in her relatively short but successful teaching career so far?

"The most satisfying moment was when an exchange student from the Netherlands wrote to me that his class project turned into a company, and he and his teammate were selling the product all over the world. He also told me that one of the suggestions I gave him regarding the pricing is actually the one he uses in practice, and it's getting him a huge profit."

Paradoxically, Prof. Fan does not expect – nor wish – that her students agree with every single suggestion that she gives. "Every moment when a student challenges me, debates with me, and shows me that I'm wrong and he or she is right – that's the moment they are growing up and eventually will become better than me. Those are the moments that I truly enjoy," she says.

In any case, her distilled wisdom in the area of business innovations is much appreciated by her students. "My motto is to always think big, but start small," she says. "That's because real innovations are big, and my students don't always know how or where to start. What I teach them is, what you do today is helping you how to innovate tomorrow. So start with very small ideas, and sometimes, those small ideas will grow into big ideas in the future."

Prof. Fan receives such positive feedback from her students, that she considers this one of the most rewarding aspects of her teaching life at CUHK. "Sometimes, some students are on their way back to the CUHK campus, and send me an email asking if they could stop by

my office just to say 'hi.' Students who have graduated also send me emails and want to stay in touch. Gestures like these really warm my heart!"

Having amazing colleagues at CUHK is like icing to the cake. "They are always ready and willing to help, and make me feel as if I'm being surrounded by family. I am extremely grateful!"

What advice would she give to students who are anxious about the competitive job market? "You can't change the way the market behaves. The key is to find your interest and passion. Life is short. Try to be yourself and always do your best. That way, you will enjoy your life!"

This article is repurposed and edited by the Marketing and Communications Office at CUHK Business School, with permission from the Information Services Office at CUHK.



Prof. Fan Tingting

Fan Tingting is an Assistant Professor in Department of Marketing at The Chinese University of Hong Kong Business School. She got her PhD from Stern School of Business, New York University in 2014. She got MS in Economics and BA in Business Administration at Peking University. Her research interest includes quantitative marketing, consumer experience with high-technology products and services, digital marketing (mobile phone, video games, and online social network), branding, and empirical IO (industrial organisation). Her research has won research grants from Wharton Customer Analytics Initiative (WCAI), Marketing Science Institute (MSI), and Product Development Management Association (PDMA).

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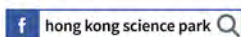
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Venturing into the eSports World

Opportunities come to those
who are prepared

For Clearence Cheung (BBA in Integrated BBA 2013), life is a game, literally. He expressed a keen interest in video games from a young age. He joined Google after finishing university and worked in advertising and YouTube content management. A few years later, he left the tech giant to start a digital marketing company with a partner. He subsequently ventured into the eSports business and established an all-women professional eSports team. It did not take long for the team to be acquired by Emperor Esports Stars, and being recruited as the company's Head of Business. Clearence attributes his passion and career success to his strong foundations, which help him seize opportunities on his doorstep.

Undergraduate Studies as a Time to Accumulate Experience

A business major, Clearence demonstrated a great deal of business acumen since the young age of ten. As a keen online gamer, he did not just play to entertain himself but made money too. By obtaining sought-after weapons and reselling them to other players he was able to earn at least a thousand dollars a month.

Clearence has had a fulfilling campus life at The Chinese University of Hong Kong (CUHK). Besides learning, he completed five internships in areas including event management, digital marketing and market research. He

thinks the combination of theory and practical experience has provided him with a comprehensive understanding of the business world, and his extensive internship experience has offered him an edge over his peers. One of the things that impressed Google and landed him a job despite strong competition was his work experience.

'Levelling up' with Foresight and Networking

Clearence led a remarkable career at Google and took on many different roles, including working with advertisers and advertising agencies. He was later appointed as the Hong Kong Partnership Manager of YouTube, responsible for

Youtubers' growth, and brokering partnerships between brands and Youtubers.

However, he did not want to become complacent and work in only one job for his entire life. As social media was becoming more integrated into daily lives and KOLs (key opinion leaders) played a more influential role in affecting consumers' purchasing decisions, Clearence saw a business opportunity. He left Google after four years and founded the digital marketing company Jengah Limited with his partner Elton Kwan (BBA in Integrated BBA 2013), also a graduate from CUHK Business School.

Jengah specialised in tailor-made digital marketing strategies for clients. While Clearence leveraged his professional network to negotiate partnerships between clients and KOLs, Elton focused on video content creation. Little did they think a two-person company with an extremely low set-up cost could pull in HK\$3 million revenue in the first few months. They even came first in the start-up team category at the Hong Kong selection round of the 2017 Qianhai Shenzhen-Hong Kong-Macao Youth Innovation and Entrepreneurship Competition.

The Ultimate Key to Success: Keep the Fire Burning

An idea struck Clearence one day: Rather than making deals for other KOLs, why not mentor his own? Because of his passion for video gaming, he was very up-to-date with eSports trends. He noticed the lack of major eSports KOLs at that time, so he put together an all-women professional eSports team, Stinga. In less than two months, Stinga was acquired by Emperor Esports Stars, and Clearence joined the company as Head of Business.

Like physical sports such as football and basketball, eSports is not held back by language barriers. It has quickly become

one of the most watched forms of sports globally. Reports indicate that the global viewership of online game League of Legends has surpassed that of the NBA. Besides revenue from ticketing and broadcast rights, eSports also simulates growth in other components along the industry chain such as gaming devices and tourism and contributes massive economic yield. Global eSports revenue was estimated at US\$700 million last year, and is expected to grow exponentially.

Besides from expanding the eSports business within his company through advertising and sponsorship, media promotion and partnership with brands, Clearence also offers the government insights into local eSports development and manages an eSports diploma programme co-organised by Emperor Esports Stars and academic partners. The programme covers topics such as business ecosystem, financing strategies, team management, and game commentary, and Clearence also gives lectures on event management. The programme was full as soon as enrolment began.

Final Boss: Hongkongers' Misconception of eSports

The future of the eSports industry in Hong Kong is full of challenges. "Take a look at eSports overseas. In mainland China, it's backed by video gaming giants like Tencent; in Taiwan, it's supported by the semiconductor industry; In Korea and even the US and Europe, they're championed by their governments. Development in Hong Kong is lagging behind because it doesn't enjoy any of these advantages. We don't even have an eSports venue."

Clearence thinks the misconception about eSports is the biggest of all the obstacles. "eSports is such a massive global industry, but people think eSports is merely about video games. An average video gamer isn't on a par with an eSports player. The latter spends up to 16 hours a day training. It requires every ounce of perseverance. I hope to play a part in helping eSports

gain the recognition it deserves from Hongkongers one day."

Although the market is small, our homegrown players have been thriving in this niche environment. "They're remarkably quick on their feet and resilient. In the 2018 Asian Games that has just wrapped up, Hong Kong qualified for four of the six events and even proved our worth by winning a gold medal in the Hearthstone tournament!"

Clearence has a piece of advice to those who want to enter the eSports business: First, they must perform well academically instead of using it as an excuse to skip school. Second, they need to know whether they have the passion it takes to be an eSports player or if they are just an avid gamer. "Only those with passion can devote this much energy to a cause, like me and my colleagues."

If one can apply this much passion for video games, how hard would it be to win in the game of life?

This article is first published by the Alumni Corporate Affairs Office at CUHK Business School.



Clearence Cheung

Clearence Cheung (BBA in Integrated BBA 2013) is the Head of Business of Emperor Esports Stars (EES). He joined the Emperor Group in August 2017, and has been in charge of the strategic direction of eSports business. He works with brand sponsors to promote eSports collaboration, develops new eSports IP and teaching eSports courses in multiple education institutions. Before joining EES, he worked in Google HK and YouTube HK, in charge of content strategy, digital marketing campaign and agency development.

JOURNEYING

onto a New Adventure and Destination



From Taiwan to Hong Kong and banking to consulting, how did Wang Yi-ting achieve her changes?

Hong Kong is one of the world's major financial hubs with a mix of Asian cultures and connections to the Western market. It naturally became Yi-ting's top destination for her MBA, and as the place she wanted to start her post-MBA career. She could leverage her Chinese background while being in an East-meets-West environment. The Chinese University of Hong Kong (CUHK)'s extensive alumni network, history and reputation were other pull factors.

Despite having experience in banking and finance back in Taiwan, an MBA helped Yi-ting look at things from different perspectives. Prior to her MBA, her focus was mainly on small project management. With business management and entrepreneurship related courses, she gained new knowledge that would soon become applicable in her new job. She began to understand how business owners made decisions and was able to apply this mindset in her current management consulting job, advising clients on their business issues.

Yi-ting was particularly grateful for the abundance of networking events through student clubs as well as her participation in case competitions throughout the MBA programme. These not only helped her with her job offers but also assisted her with business development, and most importantly, provided lifelong friends.

"This MBA journey was an eye-opener for me – in terms of looking at things from different perspectives, and learning to work with people from such diverse backgrounds, cultures and values. I have made connections to the other side of the world through study trips to US and China and case competitions with business schools in Europe. I've learned to understand differences, and how to embrace them in order to cultivate a more valuable business environment," Yi-ting says.

As a sponsorship lead for the corporate social responsibility (CSR) committee during her MBA days, she had many opportunities to meet large corporates, through which she learned how to present

an idea and showcase her capabilities in negotiations. On top of this, she received a better understanding of what these local and international companies were looking for in terms of CSR.

When talking about the fact that CUHK has such a huge alumni base, she says, "It is very easy to run into CUHK graduates wherever you go, and that really helps to create tight bonds."

This article is first published by the MBA Programmes and edited by the Marketing and Communications Office at CUHK Business School.



Wang Yi-ting

Wang Yi-ting graduated from the CUHK MBA Programme in 2015.

She is now a Senior Consultant at Sia Partners, Hong Kong. Prior to her MBA, she was a Digital Channel Manager of Standard Chartered and Product Manager at Citibank in Taiwan.



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CUHK BUSINESS SCHOOL ALUMNI AT



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At CUHK Business School, a special group of faculty members shares a common identity with their students. They are the 26 CUHK Business School alumni who returned to their alma mater to pass on the knowledge and life lessons learned. Transforming from a student to a faculty member, what are their stories and what motivated them to return?



What motivated our alumni to pursue their academic careers?



Transfer and Creation of Knowledge

For some alumni, they enjoy teaching and conceptualising ideas. They like to develop frameworks and theories to explain phenomena, and transfer their knowledge and experience to others.



Impacting People's Lives

Education comes in small steps, and these meaningful steps contribute to a big leap in one's life. Our alumni want to enhance the well-being of a person and collectively, the world.



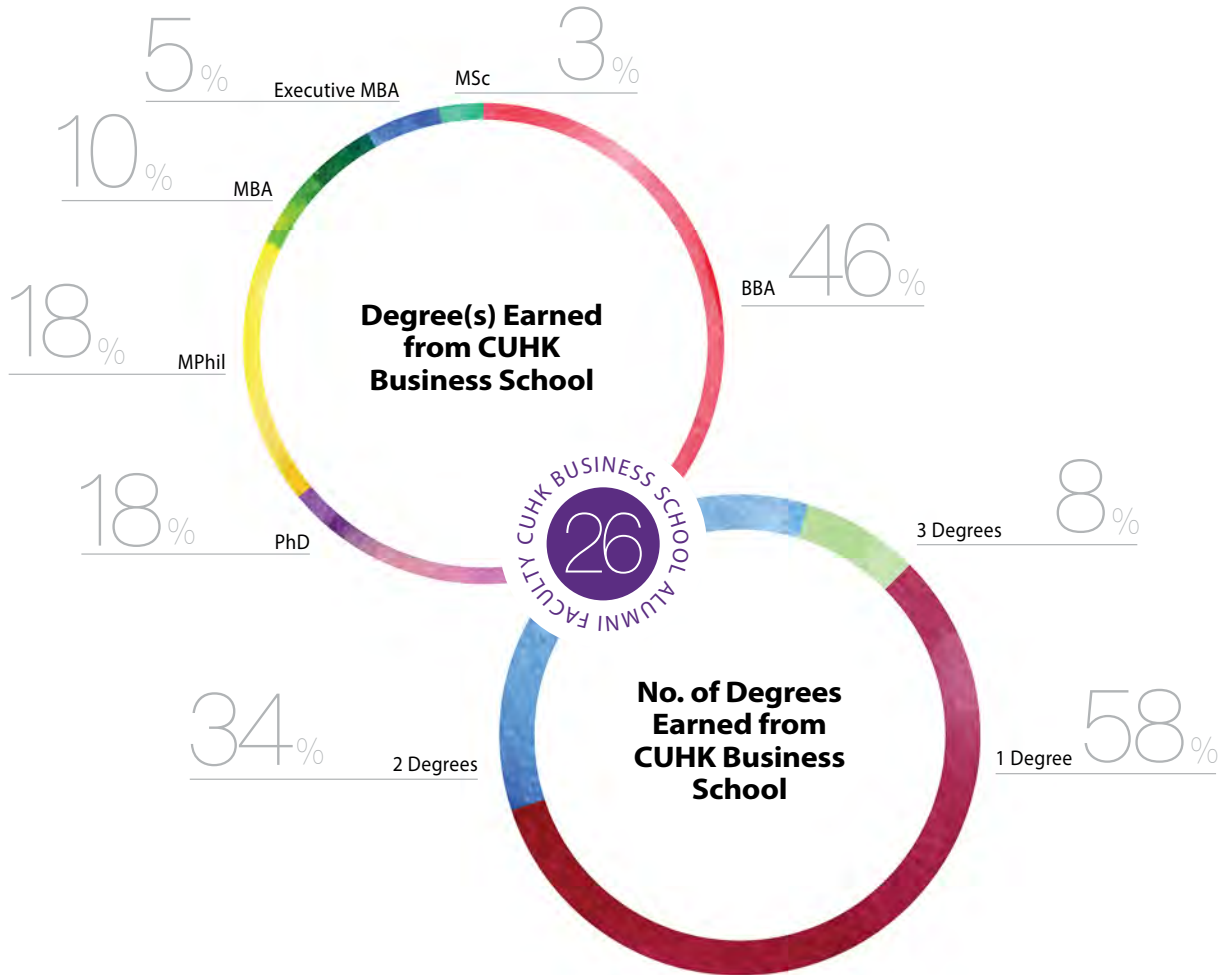
Encouragement and Inspiration by Faculty Members

A motivating conversation may enable you to see yourself in a new light. Some alumni were inspired by CUHK Business School faculty members, and wanted to pay it forward by nurturing the next generation and passing on the tradition.

ALUMNI FACULTY



AT A GLANCE



If our alumni could go back in time, what advice would they give to their 20-year-old self?



Stay positive

Tough times will eventually get better, so always look on the bright side of life and be grateful.



Stay healthy

Maintaining a regular exercise routine keeps your body young and in balance. It builds not only your physique but also your willpower.



Stay curious and hungry

Get out of your comfort zone to discover the little adventures and joys of youth. Continue to learn and resist complacency during your journey.



Stay true to yourself

A lucky person is one who can identify his/her passions in life and pursue work of interest. Your future self will thank you for who you become and the process of doing so.

HIGHLIGHTS AS



CUHK STUDENTS



“ I enjoyed the open learning atmosphere in CUHK. Teachers are conscientious and care about the real personal development of students. They treated us as ‘thinkers’ and encouraged us to take up leading roles in society. ”

Prof. Kenneth Law (BBA – General Business Management)
 Professor, Department of Management
 Associate Dean (Research)

“ I fondly remember President T. C. Cheng when I was a first year student at United College back in 1963. When I did not know how to get to the Registry and asked him in the door entrance, he held my arm and accompanied me to the registry office on the second floor. I didn’t know at the time that he was the president! ”

Prof. Lee Kam-hon (Bachelor of Commerce, MBA)
 Emeritus Professor of Marketing, School of Hotel and Tourism Management



“ I was deeply influenced by two marketing authority figures at CUHK. One is EMBA Programme Director Prof. Andrew Chan Chi-fai, who brought me to the world of strategic marketing. His ‘Left-Right Circles Theory’ enabled me to create the greatest synergy for stakeholders. The other is Prof. Mun Kin-chok, Former Dean of the Business School, who is an expert on I Ching and incorporating philosophical elements like Yin and Yang into business studies. It inspired me to introduce liberal arts components to management studies later in life. ”

Dr. Jeffrey Hui (BBA – Integrated BBA, EMBA)
 Professional Consultant, Department of Marketing

“ Scoring the highest marks for five major subjects in the degree examination! ”

Prof. Andrew Chan (BBA – Marketing, PhD – Marketing and International Business)
 Professor, Department of Marketing
 Executive Associate Dean (MBA)
 Director, Executive MBA Programme
 Head, Shaw College



“ I took softball in PE and joined a team that won the runner up in the CUHK Softball Competition. That was the first ever medal I got in any sporting event. ”

Dr. Edmund Wong (BBA – Professional Accountancy)
 Senior Lecturer, School of Accountancy
 Director, Professional Accountancy Programme



“ I took French as a minor and was once fluent in French. I joined a summer programme in France during my third year. People there thought I was a native speaker! Unfortunately, I have forgotten almost everything now. ”

Prof. Andy Wong (BBA – Integrated BBA)

Associate Professor of Practice in Marketing
Associate Dean (Undergraduate Studies)
Director of Studies in Undergraduate Studies in Business

“ Being an executive member of the Society of Business Administration was great because I had a lot of fun hanging out with the Executive Committee Members. Of course I also gained valuable exposure to the business sector. ”

Dr. Andrew Yuen (BBA – Integrated BBA, MPhil – Decision Sciences and Managerial Economics)

Senior Lecturer, Department of Decision Sciences and Managerial Economics
Associate Director (e-Learning), MBA Programmes
Associate Director, Aviation Policy and Research Centre



HIGHLIGHTS AS



CUHK FACULTY MEMBERS



“ I have spent nearly 17 years at CUHK, from being a student to a professor. To me, this is a place full of love and trusting relationships. I'm happy to have developed good relationships with students who often seek my advice on both their studies and career planning. One of my former students went so far to develop his startup business, applying what he learned in my classes. Students who keep in touch with me after graduating are especially dear, it gives me great joy that they trust me to give them career and personal advice, and treat me as their life coach. ”

Prof. Lisa C. Wan (BBA – Integrated BBA, MPhil – Marketing, PhD – Marketing)

Assistant Professor, School of Hotel and Tourism Management
Director, Centre for Hospitality and Real Estate Research

“ I participated in a 100% online undergraduate course series. This was a new experience for both my students and I. Instead of delivering my teaching in a physical classroom, I was in a Chroma-key studio and in front of a computer camera. ”

Dr. Frank Ng (BBA – Integrated BBA, PhD – Management)

Lecturer, Department of Management





“ I always share with students that the best driver of learning is joy, and the best competitive advantage of a firm or an individual is the ability to keep on learning especially in a fast-changing and dynamic business environment. ”

Dr. Stephen Poon (EMBA)

Professional Consultant, Department of Marketing

“ The students are motivated by their desire for knowledge and curiosity. ”

Prof. Zhan Xintong (PhD – Finance)

Assistant Professor, Department of Finance and School of Hotel and Tourism Management



“ I’ve had the privilege of being able to provide my advice to students. For example, a former student who graduated more than ten years called me up to discuss about his plans to open up a business and eventually he did go for it; a fresh graduate told me about her job offers and sought advice on which one to accept. The trust that my students place in me is the ultimate gift of teaching. ”

Dr. Wong Chi-Sum (BBA – General Business Management)

Professor, Department of Management

“ The best part is meeting all sorts of people during my time teaching here at CUHK. The most challenging part in being a teacher is to explore the changing needs of my students and to adjust my teaching accordingly. Though I may have taught the same discipline multiple times already, I have never grown bored with it. It is also rewarding to see that some of the teacher-student relationships have transformed to friendships, where my students still seek for help and advice after graduation. One of the highlights during my teaching is definitely receiving a teaching award at the congregation ceremony where I could share the happiness with my students. ”

Mr. Eric Leung (BBA – Professional Accountancy)

*Senior Lecturer, School of Accountancy
Associate Director, Professional Accountancy Programme*



“ Knowledge inspires and empowers, changes thoughts and drives breakthroughs. With every milestone reached, sights are set beyond the horizon, bringing confidence, hope and peace. Glad to have begun and continue this journey at CUHK! ”

Prof. Daphne Yiu (MPhil – Management)

*Professor and Chairperson, Department of Management
Associate Director, Centre for Business Sustainability*

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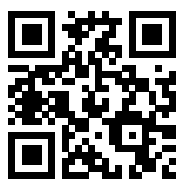


Executive MBA



Executive Education

Programme Highlight



CUHK BUSINESS SCHOOL PRESENTS DIALOGUE WITH WOMEN CEOS AND MENTORSHIP PROGRAMME

The Chinese University of Hong Kong (CUHK) Business School introduced the Dialogue with Women CEOs and Mentorship Programme 2018-19 in collaboration with 15 financial institutions

The Dialogue with Women CEOs series aims to empower the next generation through exchange of views on business and social issues. Five events were hosted between September 2018 and May 2019, with each featuring a panel of three female CEOs speaking on a variety of topics including leadership, soft skills, career development, diversity and inclusion. Collaborating institutions included ANZ, Asia Insurance, Bank of China (Hong Kong), Bank of Montreal, BNP Paribas, BNY Mellon, Citi, HSBC, ICBC (Asia), Mastercard, Rabobank, Standard Chartered, UBS, UOB and Visa. Over 800 secondary school students, teachers, and professionals from 15 financial institutions participated in the nine-month programme.

The Mentorship Programme paired executives from participating firms with secondary school students in groups of four to six. Mentor volunteers from participating firms leveraged the Programme to drive awareness of diversity and inclusion, as well as inspire secondary school students to think about their study goals and career choices. Around 40 CUHK Business School students acted as coordinators, complementing the conversations and exchange of ideas that took place in each Dialogue.

"It's a privilege to be able to partner with such an esteemed group of female business leaders in the Dialogue series and Mentorship Programme, and volunteer our students as young ambassadors and facilitators," said Prof. Kalok Chan, Dean

of CUHK Business School and Wei Lun Professor of Finance. "We believe our Business School students gained more exposure from the real-life successes and challenges senior executives face."

Ivy Au Yeung, CEO Hong Kong, ANZ and the convener of the group of female business leaders said, "This group of female business leaders is committed to paving the way for the next generation of women leaders. Through this Programme, we can start engaging young people and improving their access to financial education, providing them with a well-supported environment for future career growth in the financial industry. We hope young students can get inspired by the real-life experiences of senior female leaders in Hong Kong."

A Vision for Social Innovation

Led by the United Nations Development Programme and Citi Foundation, Youth Co: Lab brings delegates from around the world together. This inspiring exchange of ideas, knowledge and experiences is the largest of its kind, influencing government policies on social entrepreneurship and driving innovation.

This year, representatives from Hong Kong were given the “Impactful Technology Award”. Congratulations to Gary Li Ka Wai and his team, for their AI Sight initiative, which empowers and enables the visually impaired to become self-reliant.

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SCHOOL NEWS

HIGHLIGHTS

DEC 2018



Hang Seng Insurance x CUHK Business School Case Competition

The first ever Hang Seng Insurance x CUHK Business School Case Competition was held in December 2018. The joint university event provided students with the opportunity to challenge themselves and to gain an in-depth knowledge of the Hong Kong insurance industry by creating innovative insurance products. The platform developed a knowledge base, furthering an exchange of ideas and views between students, advisors, and the insurance business community. The School hopes to nurture more future talent for the industry through this case competition.

JAN 2019



The 4th Hong Kong Business Sustainability Index

The Centre for Business Sustainability of CUHK Business School announced results of the 4th Hong Kong Business Sustainability Index (HKBSI) in January 2019. Leading companies listed in Hong Kong have shown increasing concerns for corporate social responsibility and business sustainability. The top 10 HKBSI company ranking was also unveiled for the first time, and compilation of a business sustainability index for the Greater Bay Area is in progress. Compared to the results of the 3rd HKBSI released in July 2018, the overall average score of the 50 constituent companies of the Hang Seng Index increased by 10 percent, whereas the average score of the top 20 Index companies rose by around 4.29 percent.

FEB 2019



Dual Degree Programmes with IE Business School and Cass Business School

CUHK Business School announced in February its collaboration with two world-class tertiary institutions – IE Business School in Spain and Cass Business School of City, University of London in the United Kingdom – to offer dual undergraduate degree programmes. Admitted students will spend two academic years at the partnering universities, and will be awarded two degrees upon graduation. The collaboration not only strengthens the engagement between CUHK and the partner institutions but also enriches the learning experience of students. Together, the programmes will nurture global leaders with aspirations and competencies to make lifelong contributions to society.

APR 2019



CUHK EMBA Ranks 4th in Asia Pacific in the QS Global Executive MBA Rankings 2019

CUHK Business School's Executive MBA Programme has moved up 14 places to 24th in the Quacquarelli Symonds (QS) Global Executive MBA rankings 2019, making it one of the top four EMBA programmes in Asia Pacific. In particular, CUHK got a full score in three indicators including Executive Profile, Career Outcomes and Diversity. Executive Profile measures the average years of work, managerial and c-suite experience; Career Outcomes calculates salary uptake within a year of graduation, as well as the percentage of students being promoted; and Diversity reflects both the representation levels of female students and number of nationalities within a programme.

MAY 2019



CUHK Sustainability Conference 2019

Students from the MBA programmes organised the CUHK Sustainability Conference with the theme of 'CSR and beyond – The Quest for a Sustainable Future' on 6 May 2019. Venturing into its 12th year, the conference addressed pressing questions on sustainable business values through keynote speeches, panel discussions, workshops and networking breakout sessions. This student-led conference is one of the region's most notable platform where industry practitioners, experts, and students share their creative ideas about the future of sustainable growth.

DEC 2018 - MAY 2019



CUHK Business School Researchers Named the World's Most Prolific and Widely Cited Contributors

Two professors from School of Accountancy – Wu Donghui and Zhang Tianyu – were named by the international accounting academic journal *Abacus* as the second most prolific researchers in the world, each with six research papers on the Chinese capital market published in well-respected Tier 1 journals over the past two decades (1999-2018). Their work has greatly enhanced understanding of the Chinese capital market and complemented the knowledge of financial systems in other institutional environments.

On the other hand, David Ahlstrom, Professor in Department of Management was named by the Clarivate Analytics list of Highly Cited Researchers 2018 as one of the world's top researchers who has demonstrated significant influence by publication of multiple highly cited papers during the last decade (2006-2016).

FEB - MAY 2019



CUHK Business School Students Come Out On Top of Local and International Competitions

Congratulations to undergraduate and postgraduate student teams from CUHK Business School for taking home the following awards:

- Central European Case Competition in Budapest, Hungary (Champion)
- CFA Institute Research Challenge 2018-19 (Second Runner-up)
- Cornell x CUHK Regional Real Estate Case Competition, Asia (Champion)
- EY Young Tax Professional of the Year (Second and Third Prizes)
- IE Business School BBA Business Challenge 2019 in Segovia, Spain (First Runner-up)
- McGill International Portfolio Challenge (Best Speaker Award)
- Social Innovation in Motion Competition 2019 (First Runner-up in Fundraising Stream and Second Runner-up in Social Innovation Stream)
- The Taxation Institute of Hong Kong Tax Debate Competition 2019 (First Runner-up)

MAR - MAY 2019



China Business Knowledge @ CUHK Luncheon Series

From March to May, three China Business Knowledge @ CUHK Luncheon Talks took place at the CUHK Business School Town Centre in Admiralty. By exploring business theories and practices, the luncheon series helped participants understand the modern business environment of both Hong Kong and mainland China. The themes covered improving corporate governance, attracting potential investors, and managing invisible risks. Each luncheon attracted enthusiastic participants, including business professionals, CUHK Business School alumni and students, as well as the media to exchange ideas and build connections.

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