

K.C. John Wei, PhD (updated: 2017-12-04)

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 Hong Kong Polytechnic University
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CURRENT POSITION

- Chair Professor of Financial Economics, School of Accounting and Finance, The Hong Kong Polytechnic University (PolyU)
- Chair, Department Research Committee, School of Accounting and Finance, PolyU
- Member, University Research Committee, PolyU
- Independent Director, Haitong International Securities Group Limited (listed company), Hong Kong
- Professor Emeritus, Hong Kong University of Science & Technology

EDUCATION

- PhD May 1984 University of Illinois at Urbana-Champaign, Finance
- MBA June 1979 National Chengchi University, Taiwan, Finance
- BEng Dec. 1976 National Taiwan University of Science and Technology, Industrial Management

ACADEMIC AND PROFESSIONAL EXPERIENCE

- Chair Professor (2005-2016), Professor (1998-2005), Associate Professor (1992-1998), Department of Finance, HKUST.
- Acting Head of Department of Finance (January 2000-August 2002; February-June 2003; June 2015), HKUST
- Director, Value Partners Center for Investing (previously Center for Fund Management, November 2014-June 2016, HKUST
- Director, MSc (FA)/(IM) Programs, Department of Finance, HKUST, September 2006-August 2013.
- Associate Director, MSc (FA)/(IM) Programs (Part-time), Department of Finance, HKUST, February 2015-January 2016
- Associate Professor of Finance, Indiana University at Bloomington/Indianapolis, 1989-1992.
- Assistant Professor of Finance, University of Miami, 1988-1989.
- Assistant Professor of Finance, University of Mississippi, 1984-1988.
- Visiting Distinguished Chair Professor, National Taiwan University, Taiwan, August 2013-December 2017.
- Visiting Honorary Chair Professor, National Chengchi University, Taiwan, September 2007-August 2010.
- Visiting Honorary Shanghai Commercial Bank Chair Professor of Finance, National Central University, Taiwan, September 2006-August 2008.
- Visiting Professor of Finance, Shanghai Advanced Institute of Finance (SAIF), Shanghai Jiao Tong University, September 2013 – January 2014.
- Visiting Professor of Finance, Peking University, September - December 2003.

- AIM fellow and visiting scholar, University of Texas at Austin, September-December 2002.
- Director of the Center for Asian Financial Markets, HKUST, 1997-2006.
- Director of PhD Program of School of Business and Management, HKUST, 1993-1996.
- Board member: Asian Finance Association, 2012 – 2014.
- Council member: China Finance Association, 2004 – now.
- Council member: Global Chinese Real Estate Congress, 2008 – now.

HONORS

- Winner of Faculty Prizes 2016/2017 (Research and Scholarly Activities), PolyU.
- Best paper awards or research awards: The Conference on the Theories and Practices of Securities and Financial Markets (SFM), National Sun Yat-sen University, 2001, 2002, 2004, 2006, 2007, 2008, 2009, 2010, 2012, 2013, 2014, 2015, and 2016.
- Academic competition award: The 5th CQAsia conference, 2016.
- Hong Kong Asian Capital Markets Research Prize: Hong Kong Society of Financial Analysts (HKSFA) and the CFA Institute, 2016.
- Best paper award: Asian Financial Association (Asian FA) Annual Meetings, 2015; Asian FA/Pacific-basin Finance Journal, 2017.
- Best paper award: Chinese Finance Association meetings, 2004, 2005, 2007, 2008, 2010, 2011, and 2013.
- Best paper award: NTU Conference on Finance, 1995, 1998, 2000, 2002, 2004, and 2006.
- Best paper award: Financial Management Association (FMA) meetings in Investments, 2009.
- Best paper award: The China Finance Association (TCFA), 2009.
- Best paper award: China International Conference in Finance, 2006.

RESEARCH HIGHLIGHTS

- My major research interest focuses on empirical asset pricing, international finance, and corporate governance. Many of these papers are in the area of cross-sectional return predictability related to investment, profitability, book-to-market, and momentum effects. These effects are the motivation of the Fama and French (2015) five-factor model and the Hou, Xue, and Zhang (2015) q-factor model. Moreover, we are the first to introduce “individualism” to the empirical asset pricing literature related to momentum profits. Four of these papers have been cited by 2013 Economic Nobel Prize Laureate, Eugene Fama, and his co-author, Kenneth French.
- As of November 1, 2017, John Wei has a Google Scholar citation of 7,524.

PUBLICATIONS

1. Kusnadi, Yuanto, and K.C. John Wei, 2017, “The equity-financing channel, the catering channel, and corporate investment: International evidence,” *Journal of Corporate Finance* 47, 236-252.
2. Chen, Zhihong, Yuan Huang, Yuanto Kusnadi, and K.C. John Wei, 2017, “The real effect of the initial enforcement of insider trading laws,” *Journal of Corporate Finance* 45, 687-709.
3. Liu, Laura Xiaolei, Haibing Shu, and K.C. John Wei, 2017, “The impacts of political uncertainty on asset prices: Evidence from the Bo scandal in China,” *Journal of Financial Economics* 125, 286-310.

4. Cen, Ling, K.C. John Wei, and Liyan Yang, 2017, "Disagreement, underreaction, and stock returns," *Management Science* 63, 1214-1231.
5. Mao, Qinghao Mike, and K.C. John Wei, 2016, "Cash flow news and the investment effect in the cross-section of stock returns," *Management Science* 62, 2504-2519.
6. Huang, Yuan, Lam, Eric F.Y.C., and K.C. John Wei, 2014, "The q-theory explanation for the external financing effect: New evidence," *Journal of Banking and Finance* 49, 68-81.
7. Mao, Qinghao Mike, and K.C. John Wei, 2014, "Price and earnings momentum: An explanation using return decomposition," *Journal of Empirical Finance* 28, 332-351.
8. He, Yan, Junbo Wang, and K.C. John Wei, 2014, "A comprehensive study of liquidity before and after SEOs and SEO underpricing," *Journal of Financial Markets* 20, 61-78.
9. Titman, Sheridan, K.C. John Wei, and Feixue Xie, 2013, "Market development and the asset growth effect: International evidence," *Journal of Financial and Quantitative Analysis* 48, 1405-1432.
10. Chen, Zhihong, Yan Huang, and K.C. John Wei, 2013, "Executive pay disparity and the cost of equity capital," *Journal of Financial and Quantitative Analysis* 48, 849-885.
11. Cen, Ling, Gilles Hilary, and K.C. John Wei, 2013, "The role of anchoring bias in the equity market: Evidence from analysts' earnings forecasts and stock returns," *Journal of Financial and Quantitative Analysis* 48, 47-76.
12. Liang, Samuel Xin and K.C. John Wei, 2012, "Liquidity risk and stock returns around the world," *Journal of Banking and Finance* 36, 3274-3288.
13. Lam, Eric F.Y.C., and K.C. John Wei, 2011, "Limits-to-arbitrage, investment frictions, and the asset growth anomaly," *Journal of Financial Economics* 102, 127-149.
14. Chen, Kevin C.W., Zhihong Chen, and K.C. John Wei, 2011, "Agency costs of free cash flows and the effect of shareholder rights on the implied cost of capital," *Journal of Financial and Quantitative Analysis* 46, 171-207.
15. Kusnadi, Yuanto and K.C. John Wei, 2011, "The determinants of corporate cash management policies: Evidence from around the world," *Journal of Corporate Finance* 17, 725-740.
16. Fan, Joseph, P.H., K.C. John Wei, and Xinzong Xu, 2011, "Corporate finance and governance in emerging markets: A selective review and an agenda for future research," *Journal of Corporate Finance* 17, 207-214.
17. Peng, Winnie, K.C. John Wei, and Zhishu Yang, 2011, "Tunneling or propping: Evidence from connected transactions in China," *Journal of Corporate Finance* 17, 306-325.
18. He, Yan, Junbo Wang, and K.C. John Wei, 2011, "Do bond rating changes affect information risk of stock trading?" *Journal of Empirical Finance* 18, 103-116.
19. Chui, Andy C.W., Sheridan Titman, and K.C. John Wei, 2010, "Individualism and momentum around the world," *Journal of Finance* 65, 361-392.
20. Chen, Kevin C.W., Zhihong Chen, and K.C. John Wei, 2009, "Legal protection of investors, corporate governance, and the cost of equity capital," *Journal of Corporate Finance* 15, 273-289 (lead article).
21. Titman, Sheridan, K.C. John Wei, and Feixue Xie, 2009, "Capital investments and stock returns in Japan," *International Review of Finance* 9, 111-131.
22. Wei, K.C. John, and Feixue Xie, 2008, "Accruals, capital investments, and stock returns," *Financial Analysts Journal* 64 (Number 5), 34-44.
23. Wei, K.C. John, and Yi Zhang, 2008, "Ownership structure, cash flow, and corporate investment: Evidence from East Asian economies before the financial crisis," *Journal of Corporate Finance* 14, 118-132.

24. Chou, Pin-Huang, K.C. John Wei, and Huimin Chung, 2007, "Sources of contrarian profits in the Japanese market," *Journal of Empirical Finance* 14, 261-286 (lead article).
25. Bae, Kee-Hong, Chanwoo Lim, and K.C. John Wei, 2006, "Corporate governance and conditional skewness in the world's stock markets," *Journal of Business* 79, 2999-3028.
26. Cheung, W.K. Adrian, and K.C. John Wei, 2006, "Insider ownership and corporate performance: Evidence from the adjustment cost approach," *Journal of Corporate Finance* 12, 906-925.
27. Wang, Junbo, K.C. John Wei, and Stephen Pruitt, 2006, "An analysis of the share price and accounting performance of rights offerings in China," *Pacific-Basin Finance Journal* 14, 49-72.
28. Titman, Sheridan, K.C. John Wei, and Feixue Xie, 2004, "Capital investments and stock returns," *Journal of Financial and Quantitative Analysis* 39, 677-700 (list as an example of JFQA style requirements; the top 10 most cited paper published at JFQA).
29. Chan, Kalok, Junbo Wang, and K.C. John Wei, 2004, "Under-pricing and long-term performance of IPOs in China," *Journal of Corporate Finance* 10, 409-430.
30. Wei, K.C. John, and Raymond Chiang, 2004, "A GMM approach for estimation of volatility and regression models when daily prices are subject to price limits," *Pacific-Basin Finance Journal* 12, 445-461.
31. Chui, Andy C.W., Sheridan Titman, and K.C. John Wei, 2003, "The cross-section of expected REIT returns," *Real Estate Economics* 31, 451-479.
32. Chui, Andy C.W., Sheridan Titman, and K.C. John Wei, 2003, "Intra-industry momentum: The case of REITs," *Journal of Financial Markets* 6, 363-387.
33. Daniel, Kent, Sheridan Titman, and K.C. John Wei, 2001, "Explaining the cross-section of stock returns in Japan: factors or characteristics?" *Journal of Finance* 56, 743-766.
34. Chan, Yue-cheong, and K.C. John Wei, 2001, "Price and volume effects associated with derivative warrant issuance on the Stock Exchange of Hong Kong," *Journal of Banking and Finance* 25, 1401-1426 (lead article).
35. Liu, Yu-Jane, K.C. John Wei, and Gwohorng Liaw, 2001, "On the demand elasticity of initial public offerings: An analysis of discriminatory auctions," *International Review of Finance* 2, 151-178.
36. Titman, Sheridan, and K. C. John Wei, 1999, "Understanding stock market volatility: The case of Korea and Taiwan," *Pacific-Basin Finance Journal* 7, 41- 66.
37. Wei, K.C. John, Cheng F. Lee, and Alice Lee, 1999, "Linear conditional expectation, return distributions and capital asset pricing theories," *Journal of Financial Research* 22, 471-487.
38. Chui, Andy, C.W., and K.C. John Wei, 1998, "Book-to-market, firm size, and the turn-of-the-year effect: Evidence from Pacific-Basin emerging markets," *Pacific-Basin Finance Journal* 6, 275-293.
39. Wu, Changqi, and K.C. John Wei, 1998, "Cooperative R&D and the value of the firm," *Review of Industrial Organization* 13, 425-446.
40. Cai, Jun, and K.C. John Wei, 1997, "The investment and operating IPO performance of Japanese IPO firms," *Pacific-Basin Finance Journal* 5, 389-417.
41. Wu, Chunchi, Wu, Qiang Li, and K.C. John Wei, 1996, "Incomplete-information capital market equilibrium with heterogeneous expectations and short sale restrictions," *Review of Quantitative Finance and Accounting* 7, 119-136.
42. Chan, Yue-cheong, and K.C. John Wei, 1996, "Political risk and stock price volatility: The case of Hong Kong," *Pacific-Basin Finance Journal* 4, 259-275.

43. Wei, K.C. John, Yu-Jane Liu, Chan-Chen Yang and Guey-Shiang Chaung, 1995, "Volatility and price change spillover effects across the developed and emerging markets," *Pacific-Basin Finance Journal* 3, 113-136.
44. Chen, Kevin C.W., and K.C. John Wei, 1993, "Creditor's decision to waive the violations of accounting-based debt covenants," *The Accounting Review* 68, 218-232.
45. Carroll, Carolyn, Paul D. Thistle, and K.C. John Wei, 1992, "The robustness of risk-return nonlinearities to the normality assumption," *Journal of Financial and Quantitative Analysis* 27, 419-435.
46. Pruitt, Stephen W., and K.C. John Wei, 1992, "U.S. and Japanese bilateral merchandise balance of trade announcements and Japanese yen currency futures market returns: December 1976 to February 1991," *Economics Letters* 39, 455-460.
47. Wei, K.C. John, and K.F. Wong, 1992, "Tests of inflation and industry portfolio stock returns," *Journal of Economics and Business* 44, 77-94.
48. Lee, Jack, Cheng F. Lee, and K.C. John Wei, 1991, "Binomial option pricing model with stochastic parameters: a beta distribution approach," *Review of Quantitative Finance and Accounting* 1, 435-448.
49. Wei, K.C. John, and Stanley R. Stansell, 1991, "Benchmark error and the small firm effect: A revisit," *Journal of Financial Research* 14, 359-369.
50. Pruitt, Stephen W., and K.C. John Wei, 1991, "Stock market responses to U.S. and Japanese bilateral merchandise balance of trade announcements: 1976-1987," *Economics Letters* 37, 165-171.
51. Wei, K.C. John, Cheng F. Lee, and Andrew H. Chen, 1991, "Multivariate regression tests of the arbitrage pricing theory: An instrumental variable approach," *Review of Quantitative Finance and Accounting* 1, 435-448.
52. Lee, Cheng F., Chunchi Wu and K.C. John Wei, 1990, "Heterogeneous investment horizon and capital asset pricing model: Theory and implication," *Journal of Financial and Quantitative Analysis* 25, 361-376.
53. Pruitt, Stephen W., and K.C. John Wei, 1989, "Institutional ownership and changes in the S&P 500," *Journal of Finance* 44, 509-513.
54. Bansal, Vipul K., Stephen W. Pruitt, and K.C. John Wei, 1989, "An empirical reexamination of the impact of CBOE option initiation on the volatility and trading volume of the underlying stocks: 1973-1986," *Financial Review* 24, 19-29.
55. Wei, K.C. John, and Cheng F. Lee, 1988, "The generalized Stein/Rubinstein covariance formula and its application to estimate real beta," *Management Science* 34, 1266-1270.
56. Carroll, Carolyn, and K.C. John Wei, 1988, "Risk, return, and equilibrium: An extension," *Journal of Business* 61, 485-499.
57. Wei, K.C. John, 1988, "An asset-pricing theory unifying the CAPM and APT," *Journal of Finance* 43, 881-892.
58. Pruitt, Stephen W., K.C. John Wei, and R.E. White, 1988, "The impact of union-sponsored boycotts on the stock prices of target firms," *Journal of Labor Research* 9, 285-289.
59. Sears, Stephen, and K.C. John Wei, 1988, "The structure of skewness preferences in asset pricing models with higher moments: An empirical test," *Financial Review* 23, 25-38.
60. Pruitt, Stephen W., W. Tawarakoon, and K.C. John Wei, 1987, "Chernobyl, commodity, and chaos: An examination of the reaction of commodity futures prices to evolving information," *Journal of Futures Markets* 7, 556-569.
61. Sears, Stephen, and K.C. John Wei, 1985, "Asset pricing, higher moments and the market risk premium: A note," *Journal of Finance* 40, 1251-1253.

SERVICE ACTIVITIES WITHIN COLLEGE AND PROFESSION

- Keynote speaker at the Conference in Modern Issues on Finance (2003) in Taiwan.
- Keynote speaker at the 2009 Management Research Forum at National Cheng Kung University in Taiwan.
- Keynote speaker at the 2010 Young Economic Scholar (YES) conference in Jinan University, Guangzhou, China.
- Keynote speaker at the 2013 Finance Workshop on Behavioral Finance organized by the Victoria University of Wellington.
- Keynote speaker at the 2014 National Chiao Tung University (NCTU) International Finance Conference.
- Keynote speaker at the 2014 International Conference of Quantitative Behavioural Finance, Nanjing University, PRC.
- Keynote speaker at the 2014 Cross-Strait Capital Market Forum at Feng Chia University in Taiwan.
- Keynote speaker at the 2016 National Chiao Tung University (NCTU) International Finance Conference.
- Co-editor for *Journal of Corporate Finance* Special Issue (2011), “Corporate Finance and Governance in Emerging Markets.”
- Associate editor for *Financial Analysts Journal* (Editorial review board, 2012-now), *Journal of International Business Studies* (Editorial review board, 2012-2014), *Pacific-Basin Finance Journal*, *International Review of Finance*, *International Review of Economics and Finance*, *Review of Quantitative Finance and Accounting*, *Asian-Pacific Journal of Accounting & Economics*, *International Real Estate Review*, *Asia-Pacific Journal of Financial Studies*, *Emerging Markets Finance and Trade*, and *Review of Pacific Basin Financial Markets and Policies*.