



2007 中国创业投资中期论坛

地点：北京喜来登长城饭店

时间：2007年7月11-12日

2007
BEIJING
北京

China VC, PE, M&A, IPO Semi-annual Reports

Gavin Ni

Founder, CEO and President
Zero2IPO Group



VC **Venture Capital**

PE **Private Equity**

M&A **Merger and Acquisition**

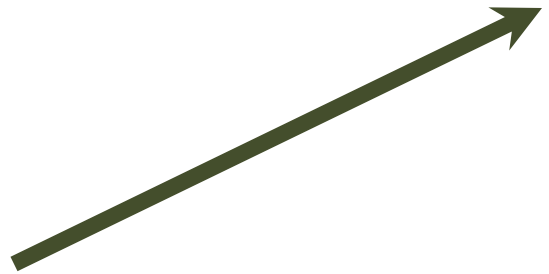
IPO **Initial Public Offering**



VC

VC

Venture Capital



PE

Private Equity

M&A

Merger and Acquisition

IPO

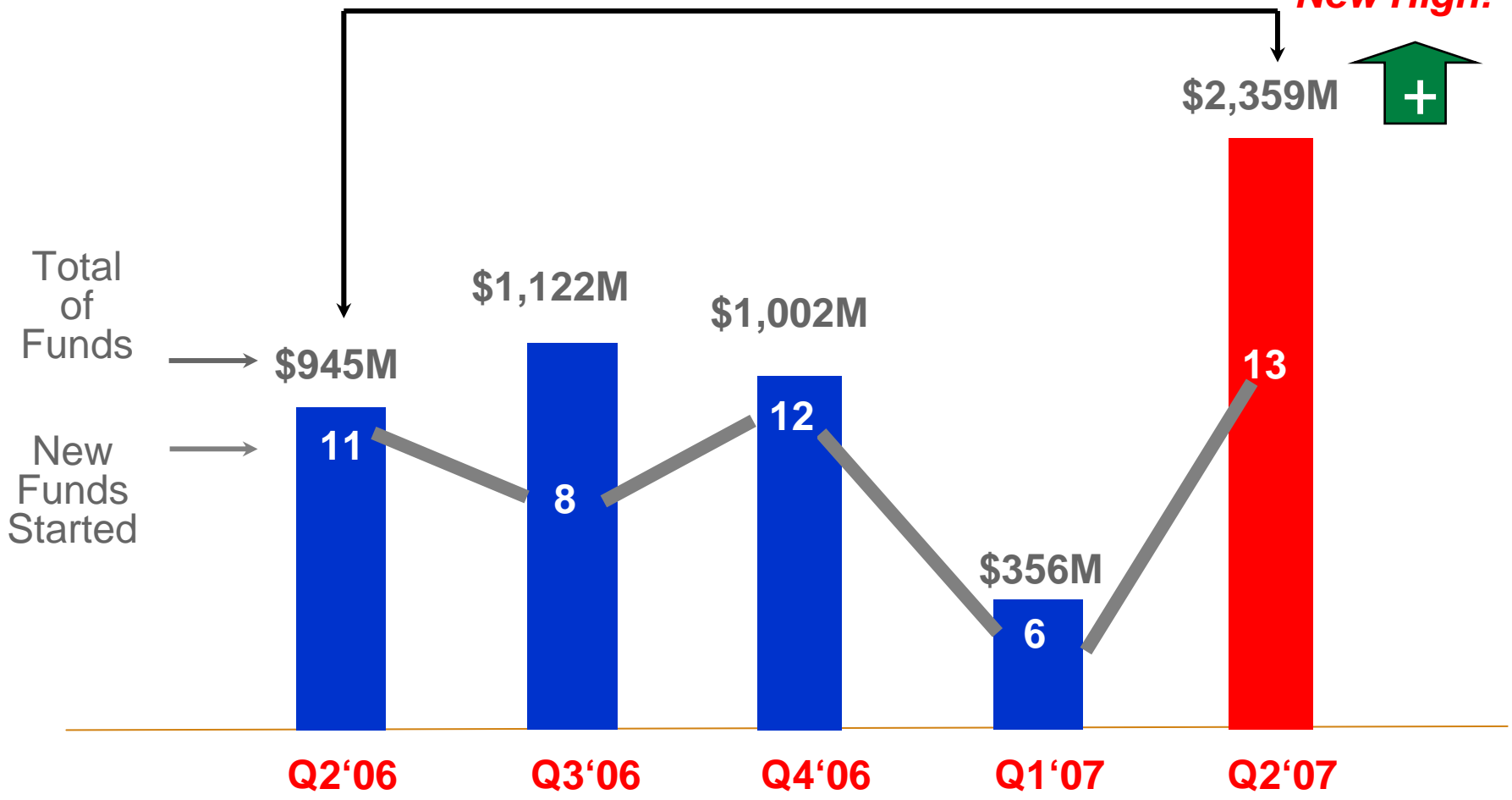
Initial Public Offering



Fundraising Momentum Regained!

Q2 YoY: + 150% dollars, + 18% deals

New High!

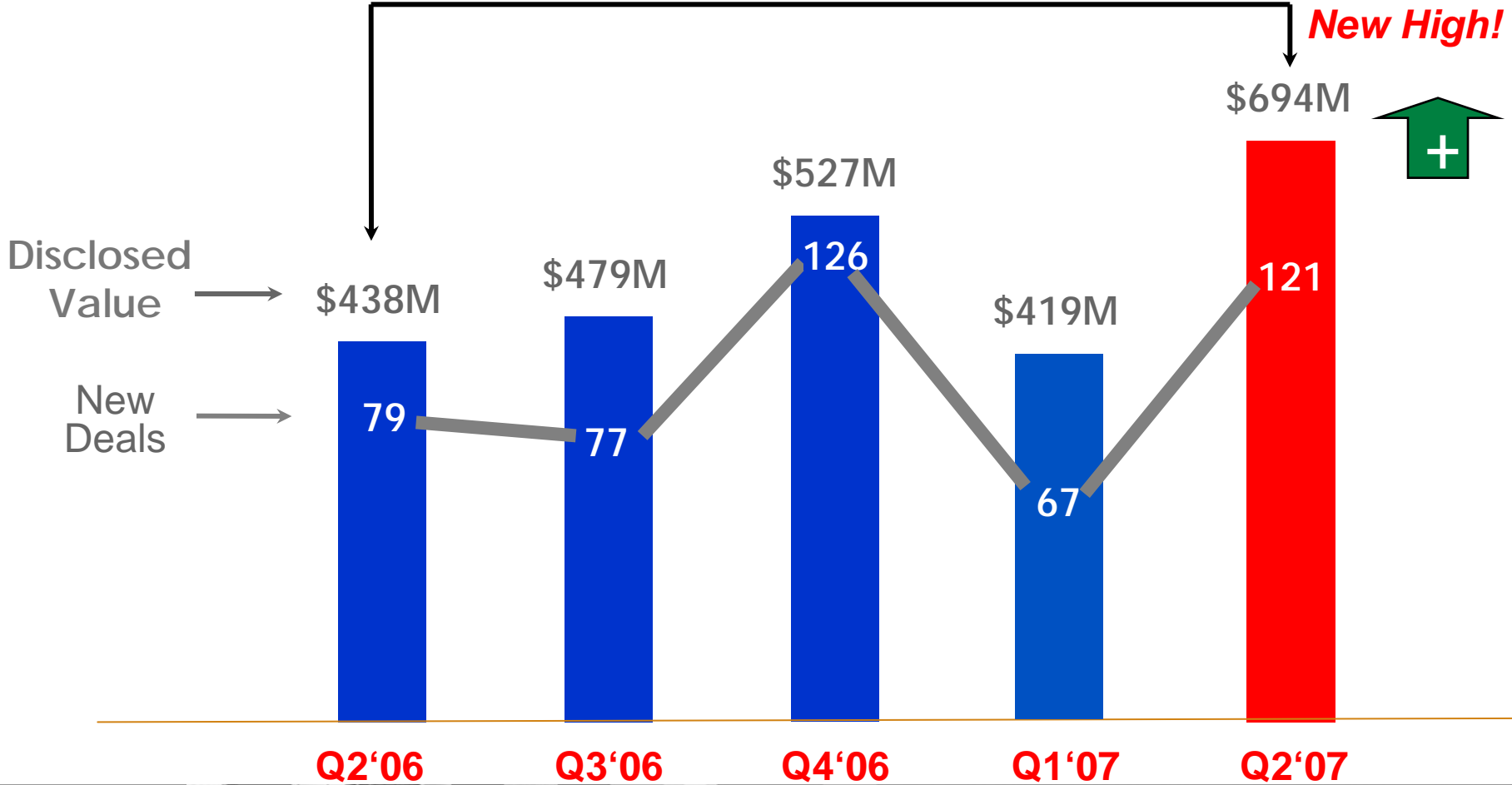


Dollar numbers rounded for clarity



Investments Remained Strong

Q2 YoY: + 58% dollars, + 53% deals

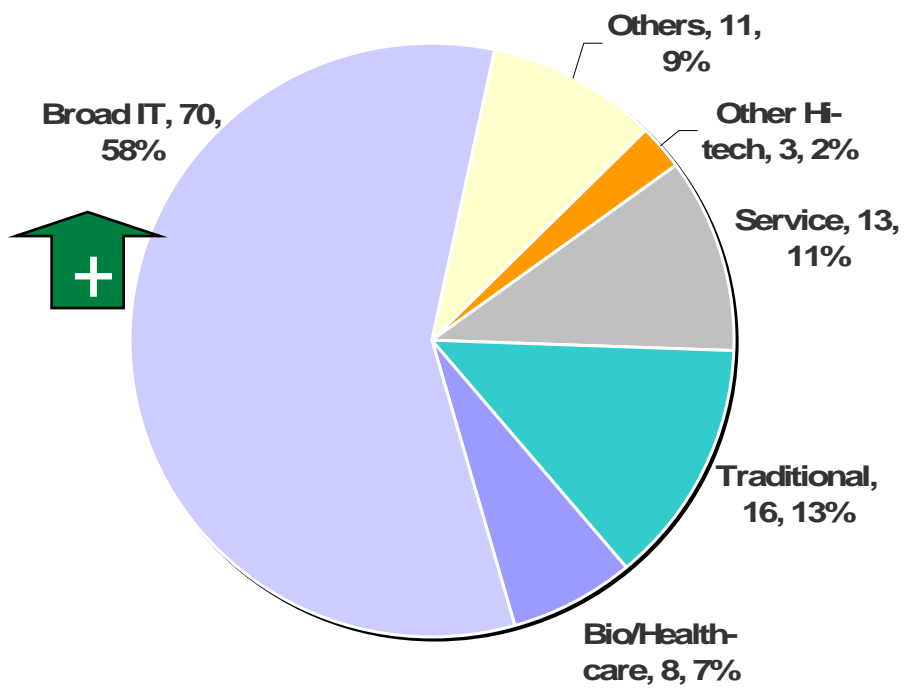


Dollar numbers rounded for clarity

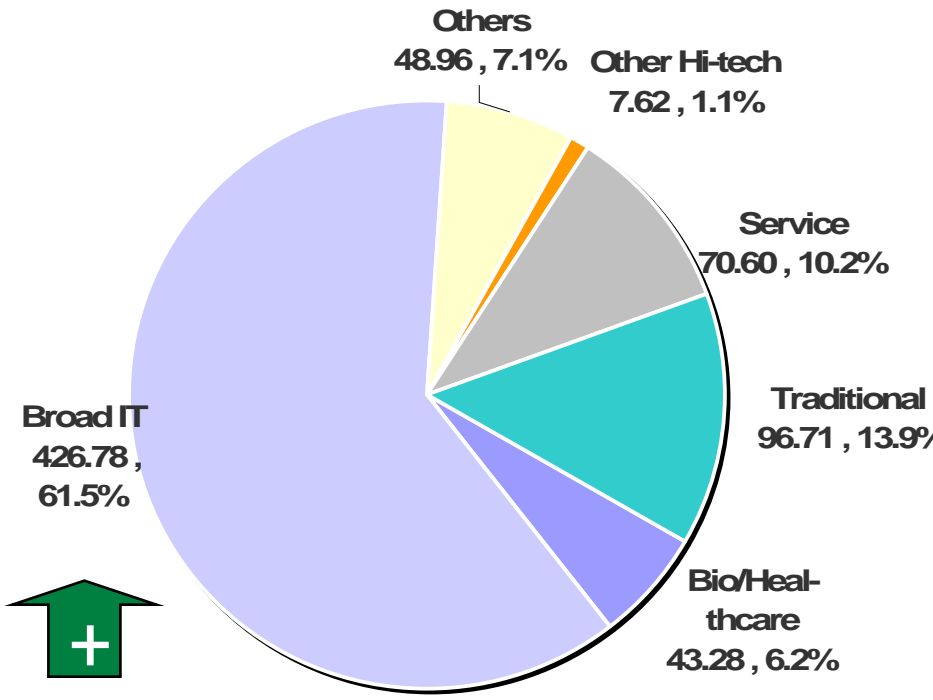


Overall Industry Breakdown

Number of Deals: **121**



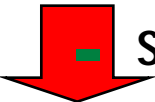
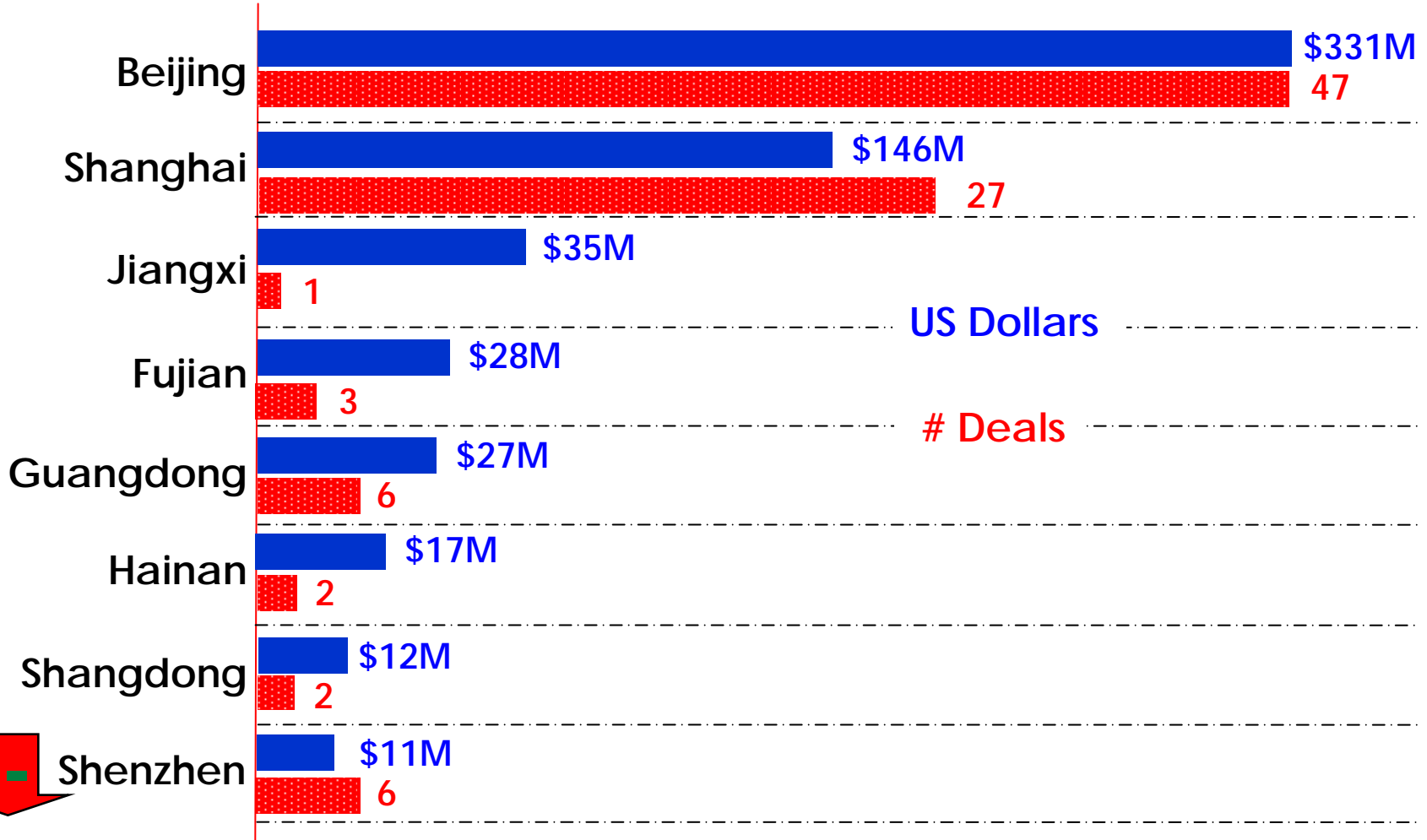
Amount Invested: **US\$694M**



Dollars and percentages rounded for clarity



Geographical Distribution



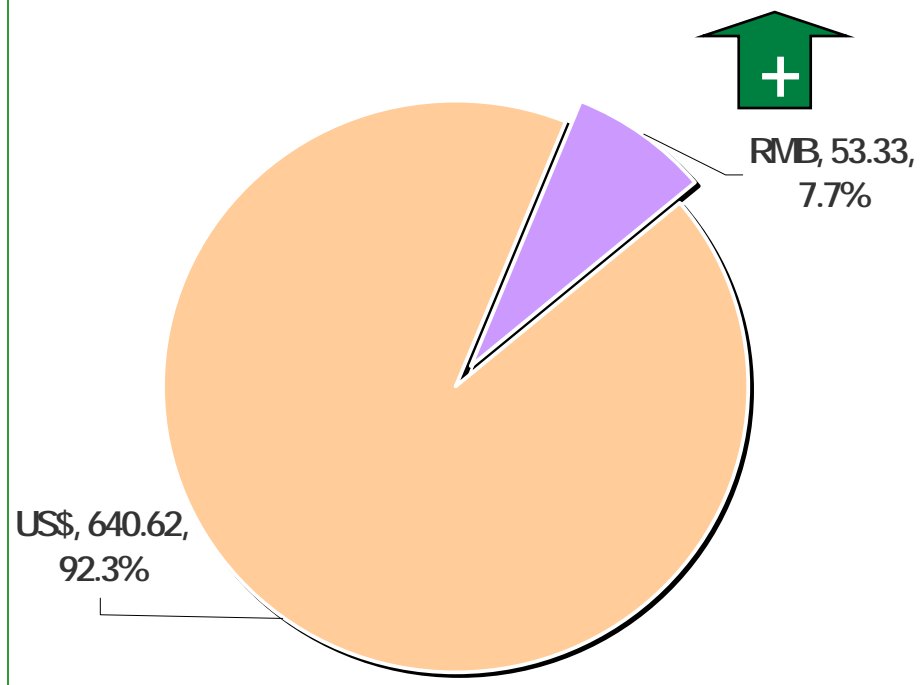
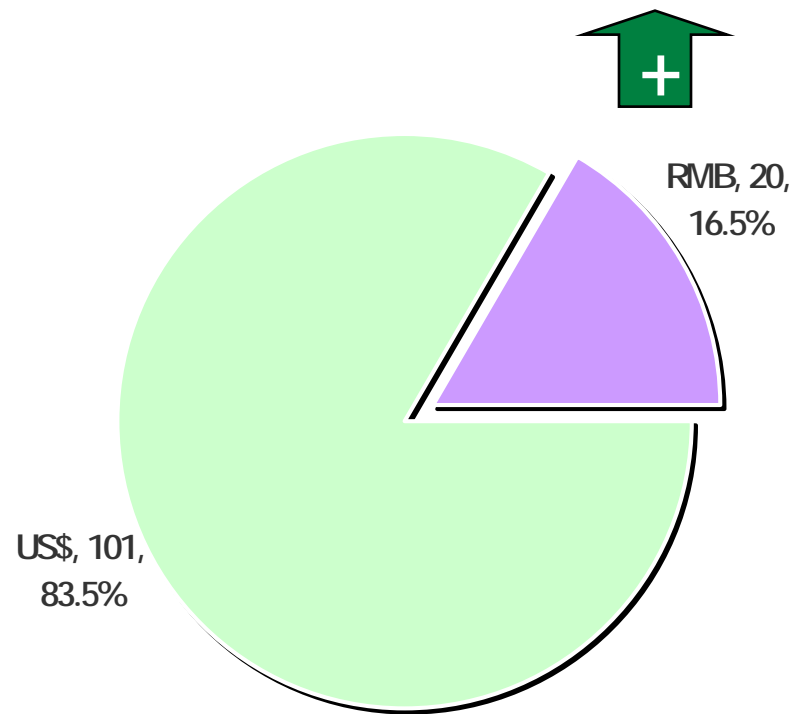
Dollar numbers rounded for clarity



RMB vs. US\$ Investments

Number of Deals: **121**

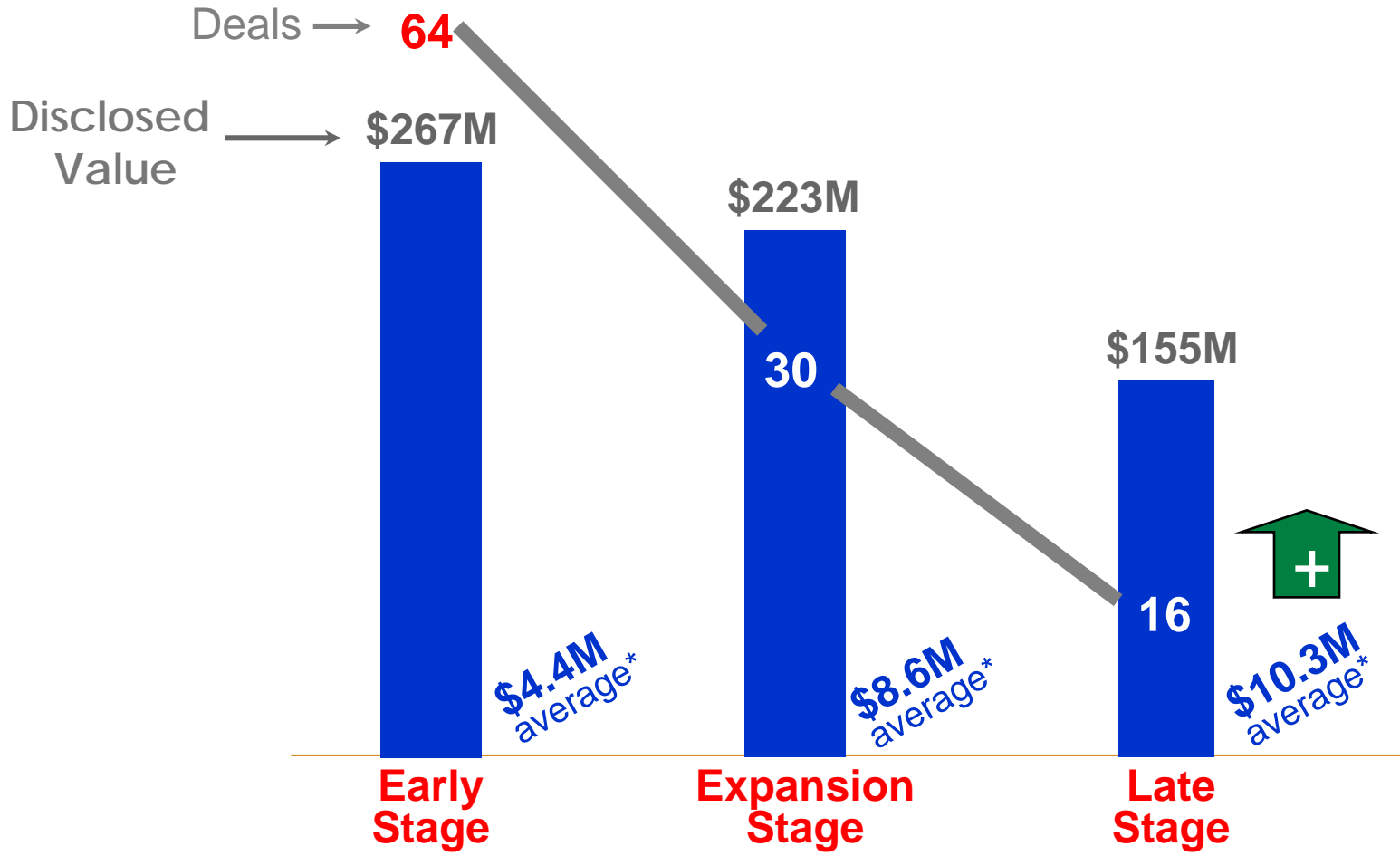
Amount Invested: **US\$694M**



Numbers rounded for clarity



Investment Stage Distribution

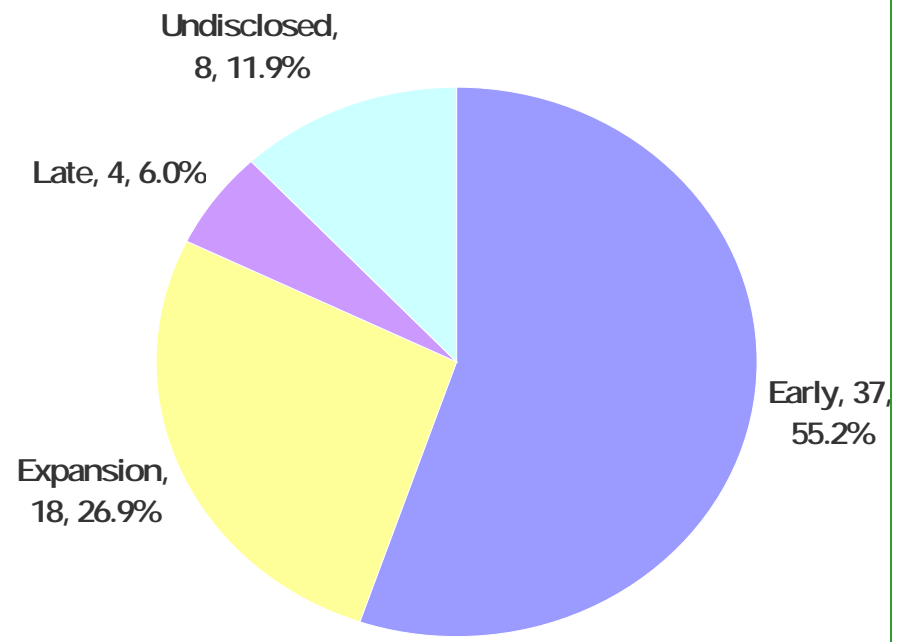


* Averages based on deals with a disclosed value

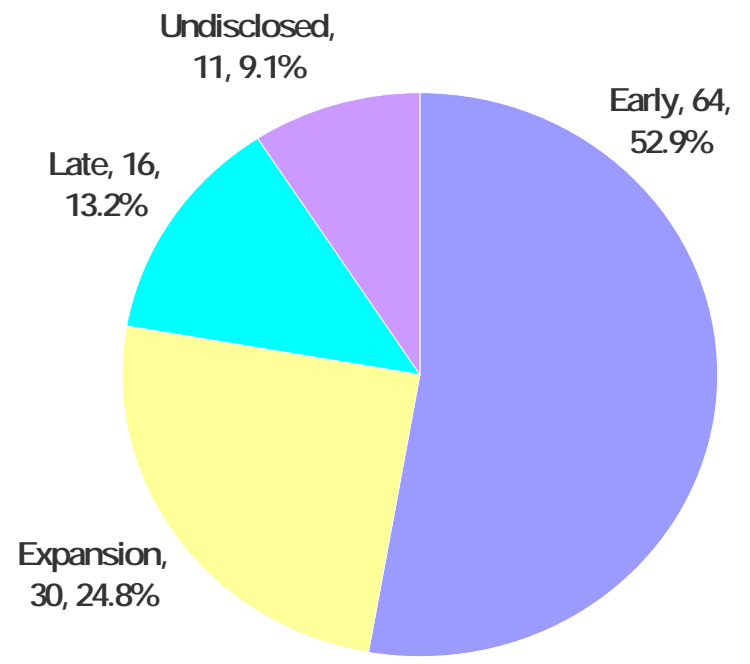


Investment Stage Trend (by Deal Number)

Total Deals in Q1: 67



Total Deals in Q2: 121

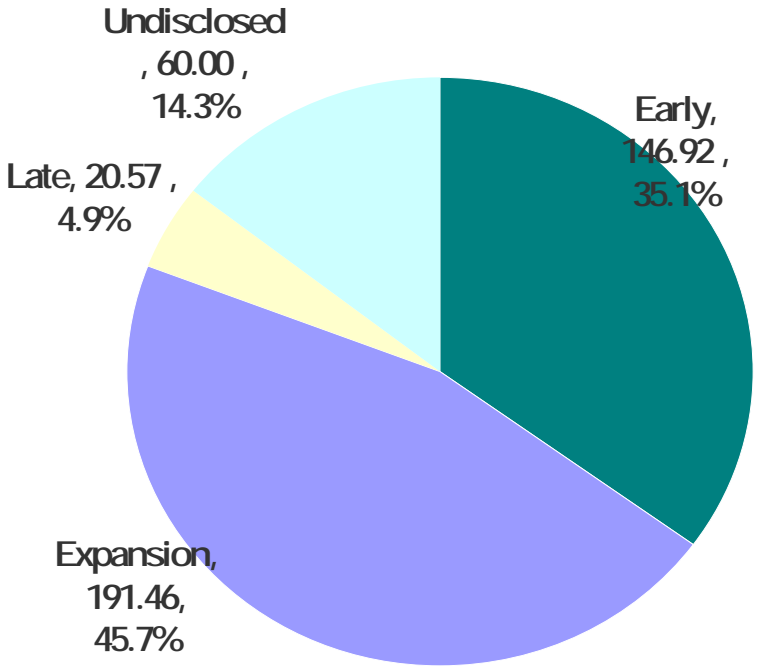


Numbers rounded for clarity

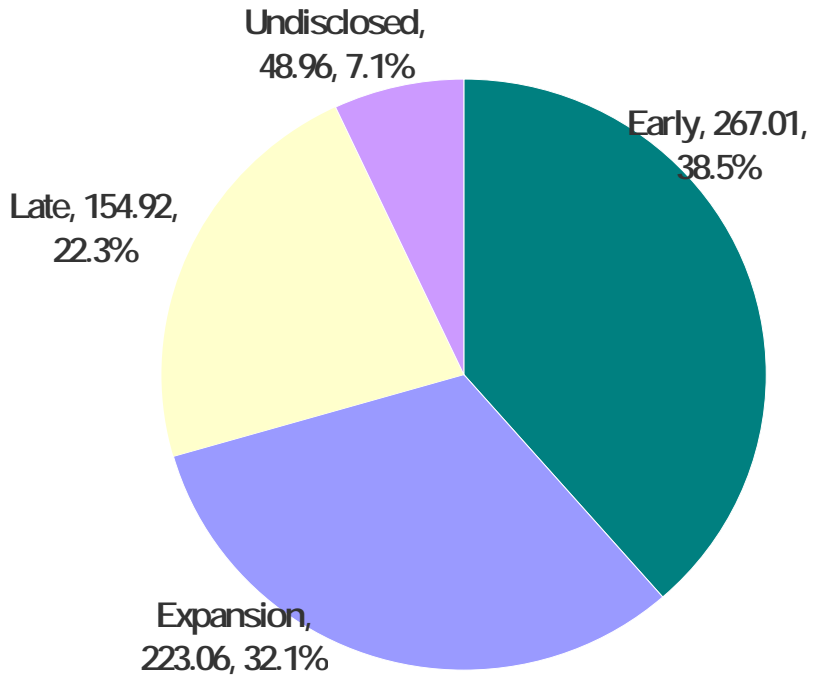


Investment Stage Trend (by Amount Invested)

Total Amount Invested in
Q1: US\$419M



Total Amount Invested in
Q2: US\$694M

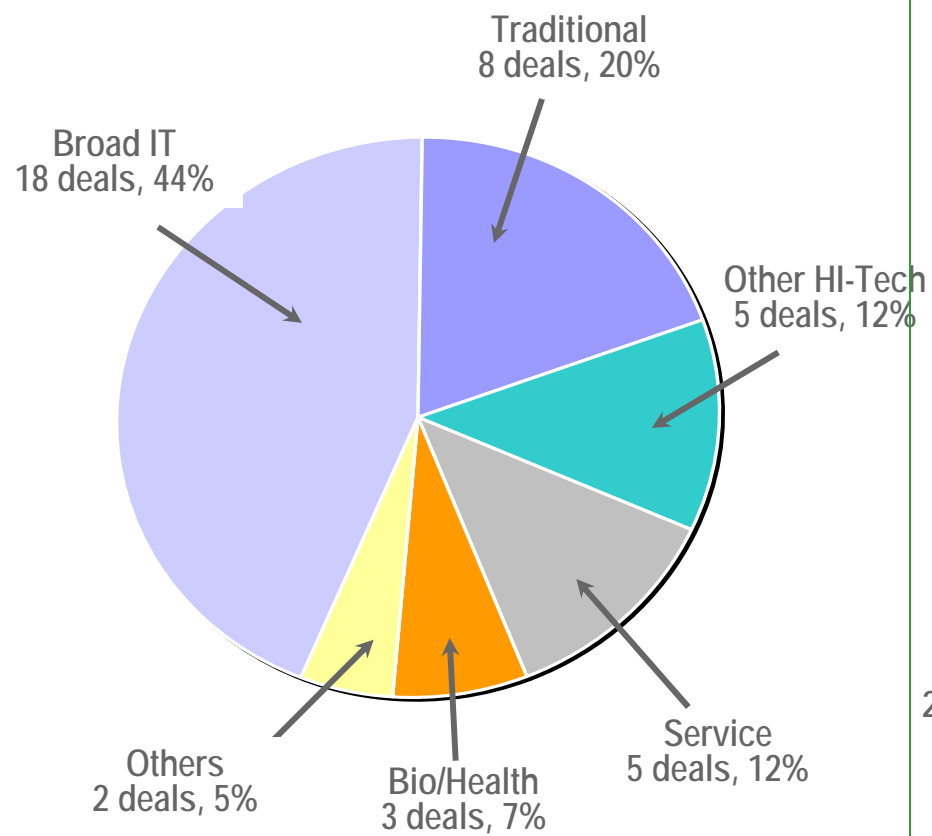


Numbers rounded for clarity

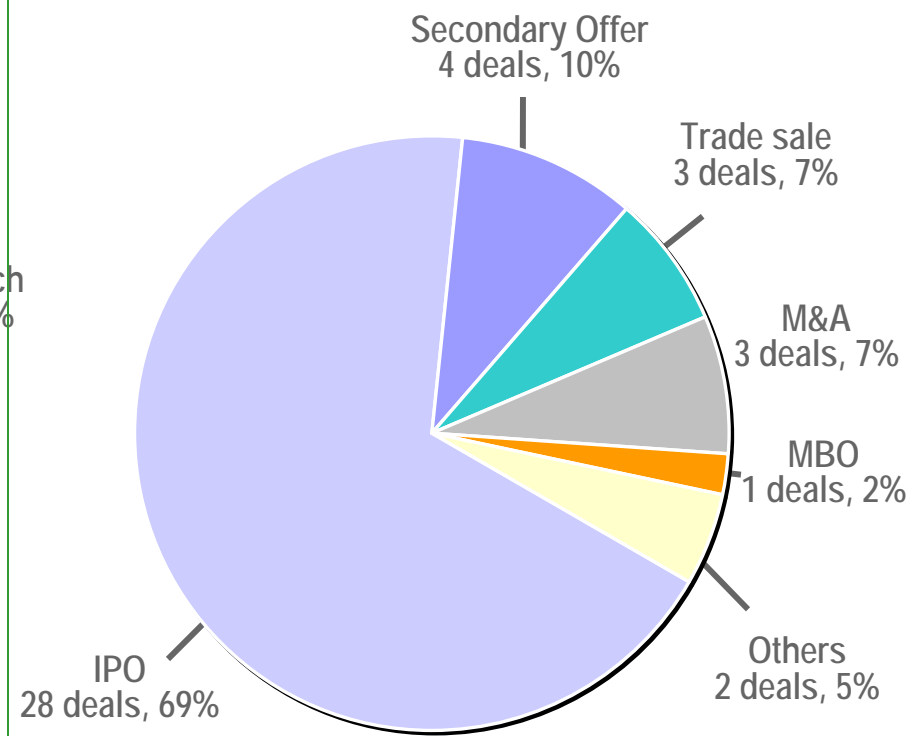


VC Exits

By Industry: 41



By Exit Option: 41



Numbers rounded for clarity

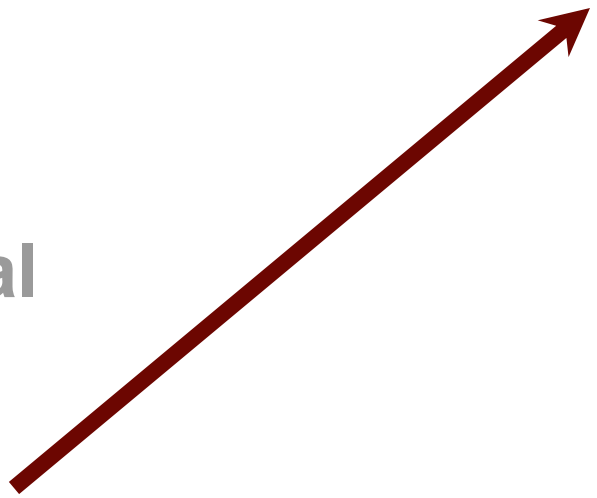


VC

Venture Capital

PE

Private Equity



PE

M&A

Merger and Acquisition

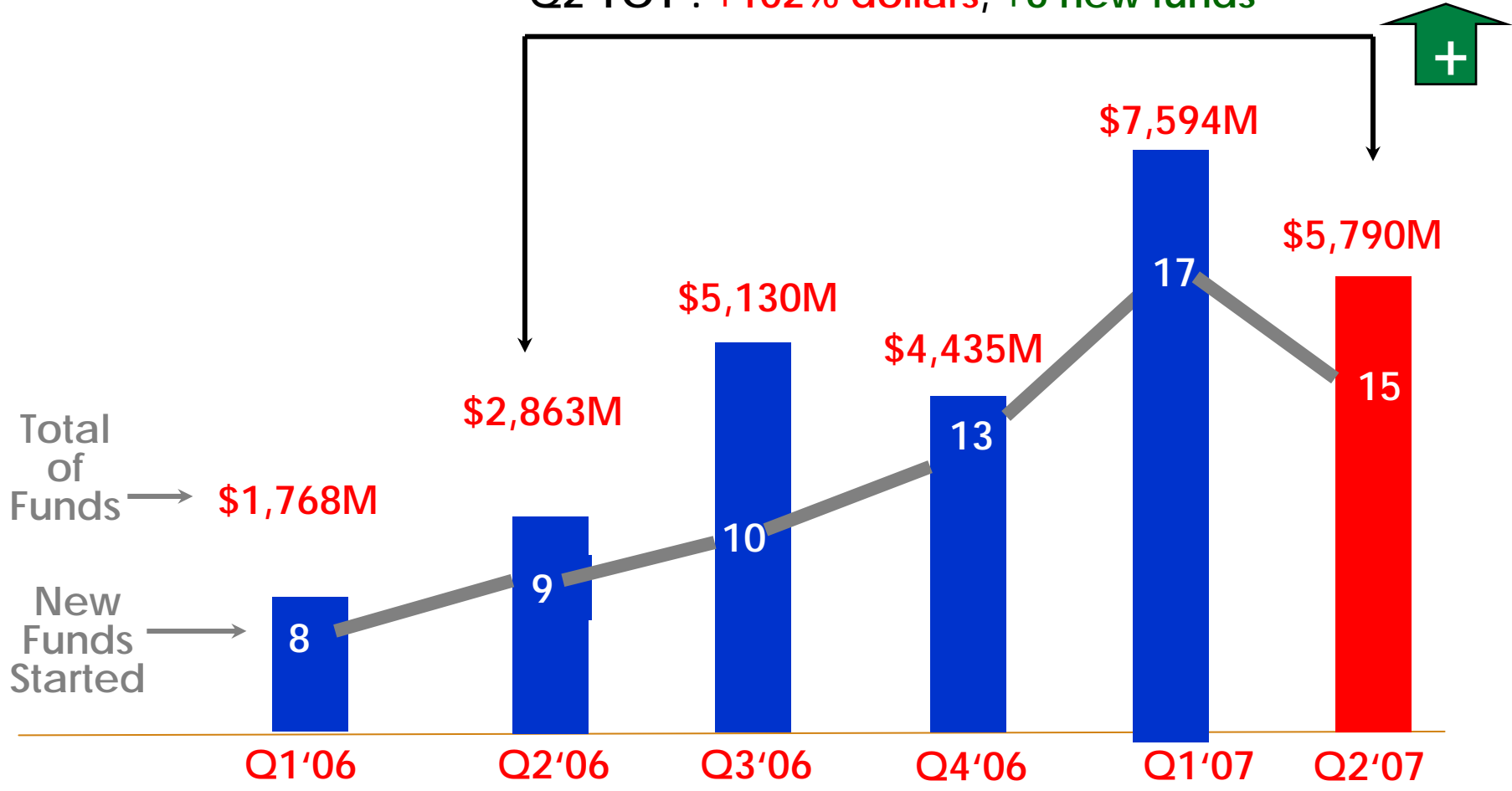
IPO

Initial Public Offering



Fundraising Remains Robust..

Q2 YOY : +102% dollars, +6 new funds

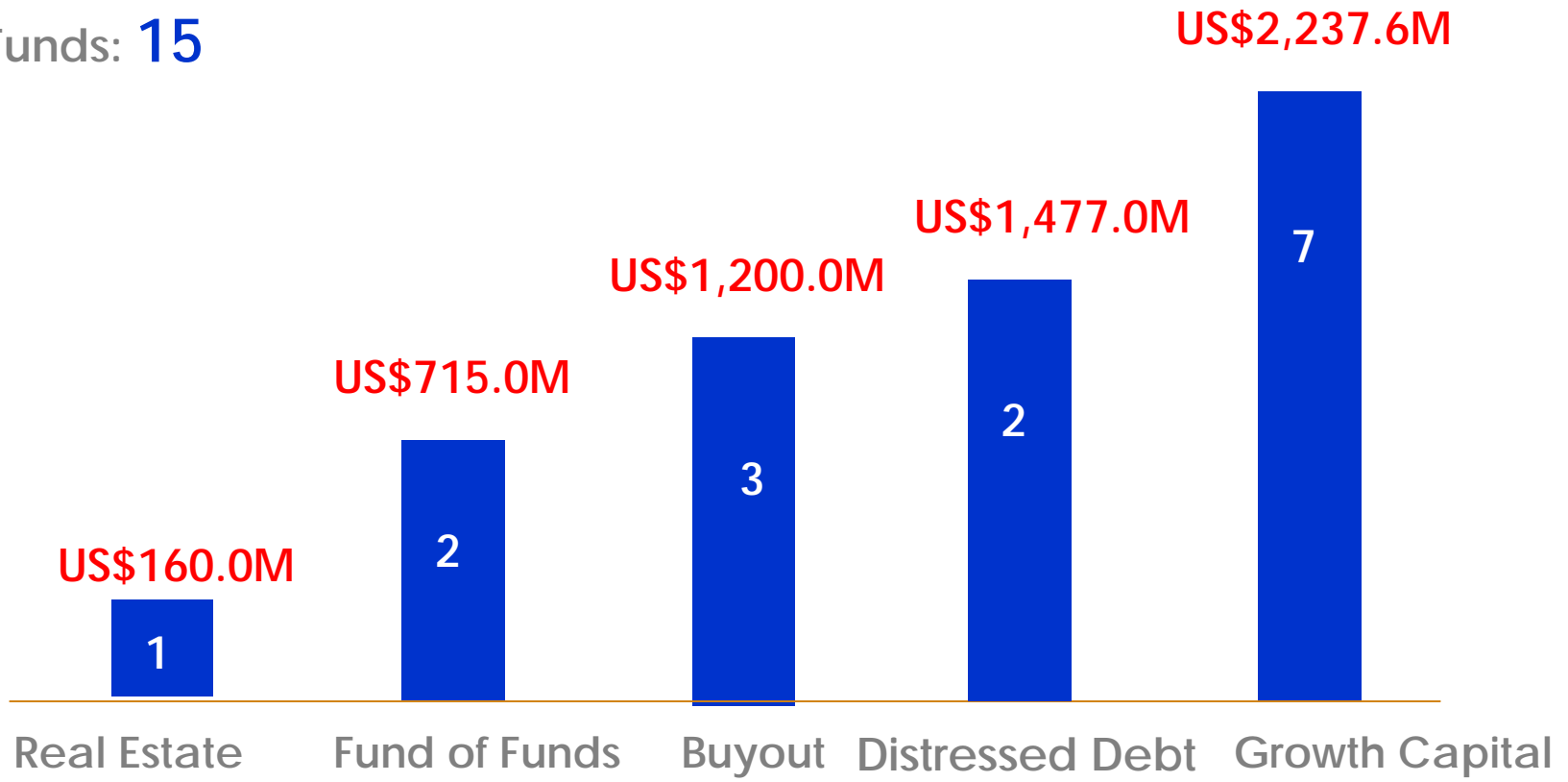




...With Growth Capital the Winner

Total Amt. Raised for Asia (including China): US\$5.79B

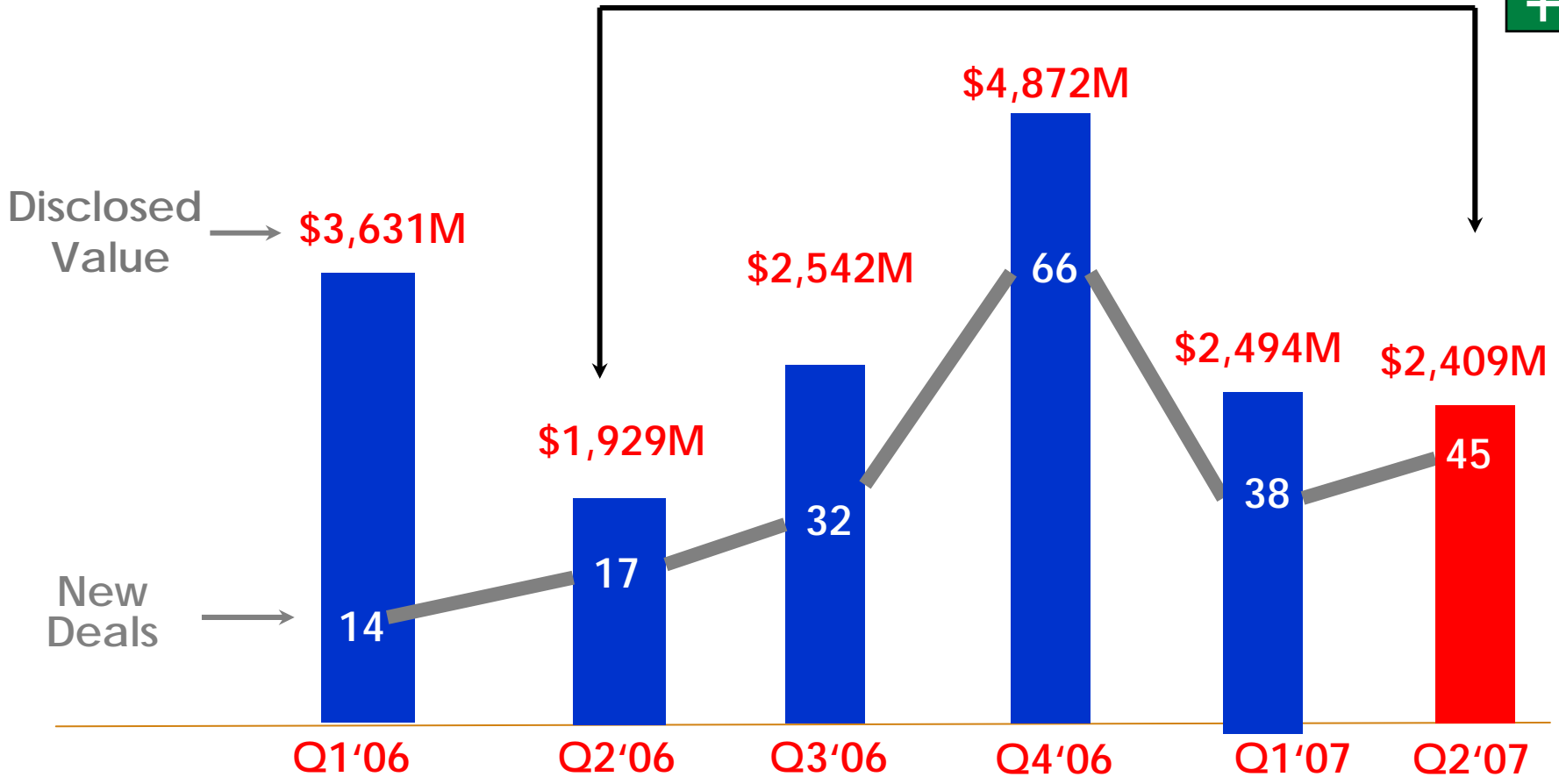
New Funds: **15**





Deals Remained Active

Q2 YOY : +24.9% dollars, +164.7% deals

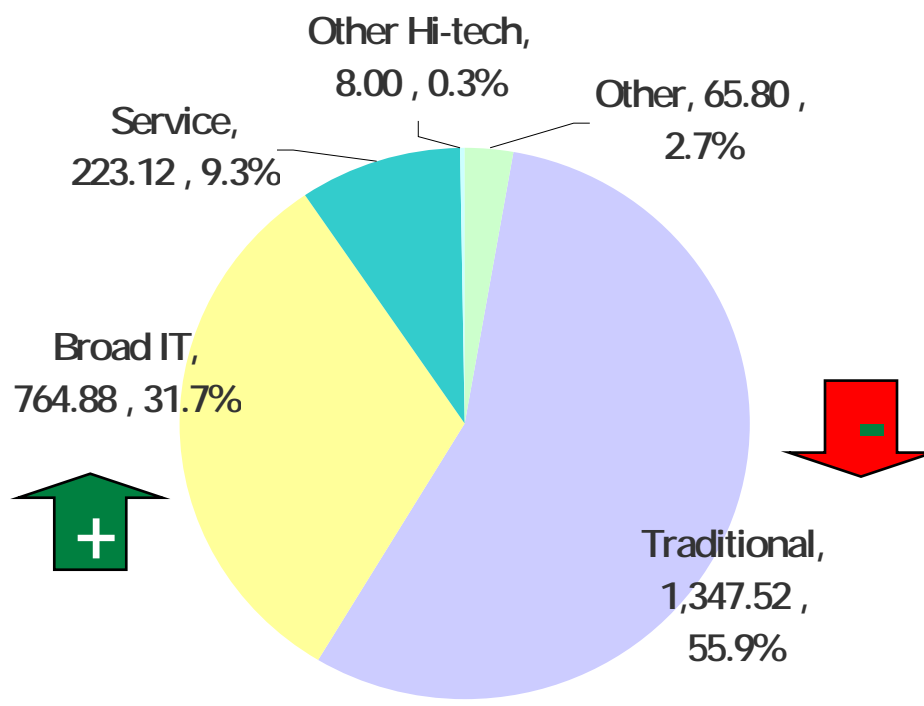
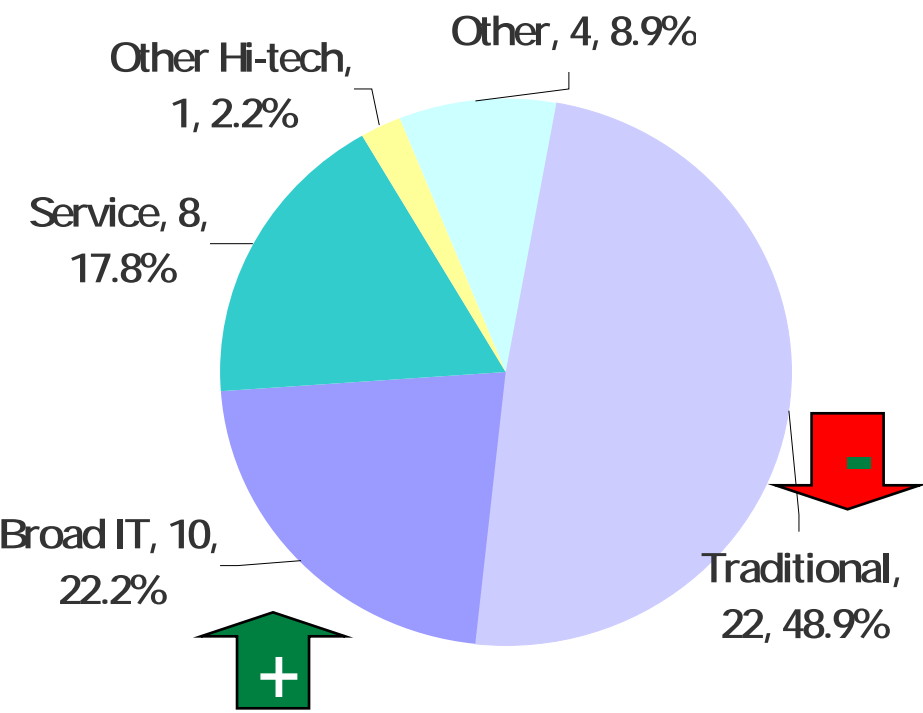




Overall Industry Breakdown

Number of Deals: 45

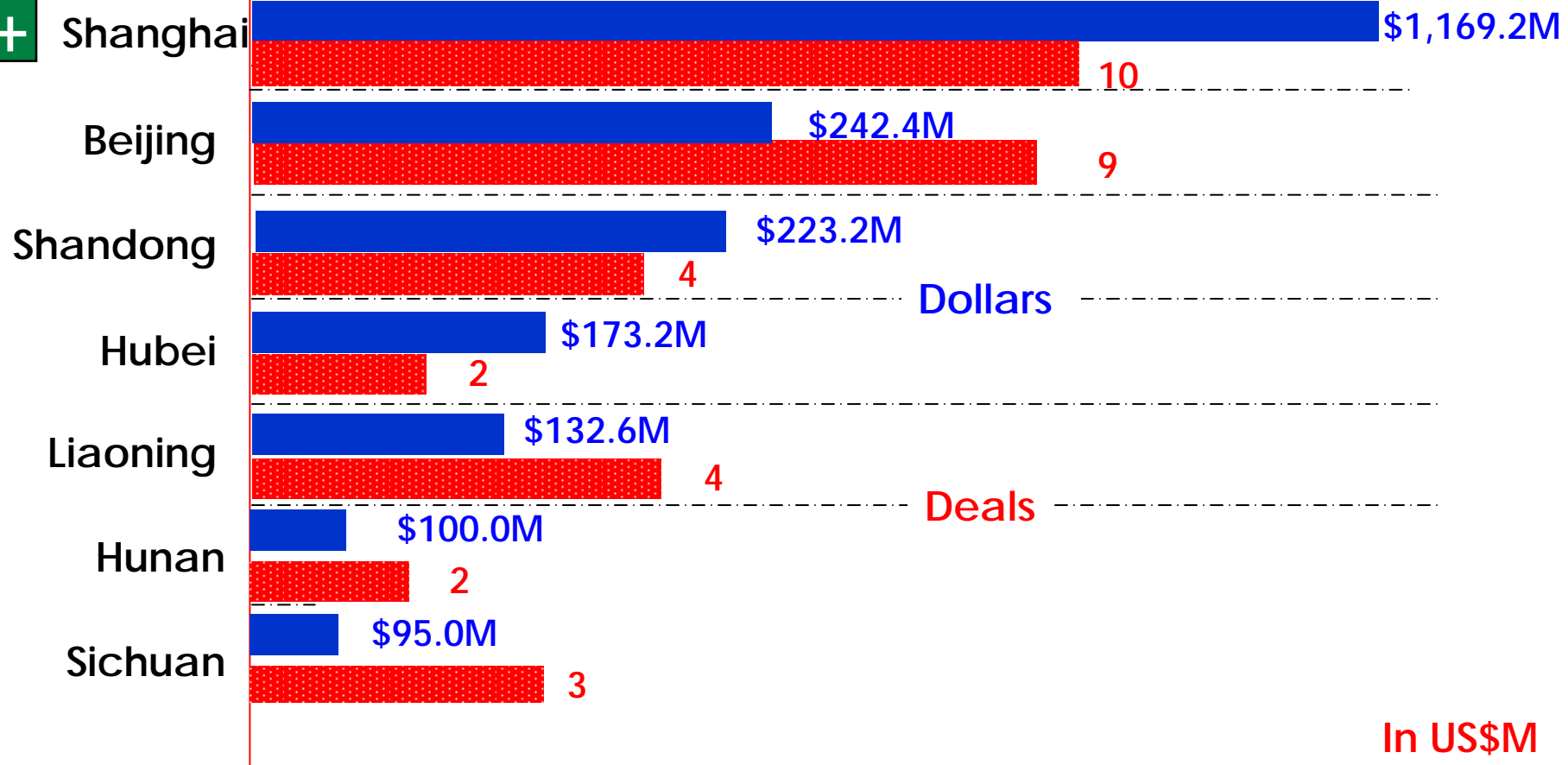
Amount Invested: US\$2,409M



In US\$M



Geographical Distribution



Dollars

Deals

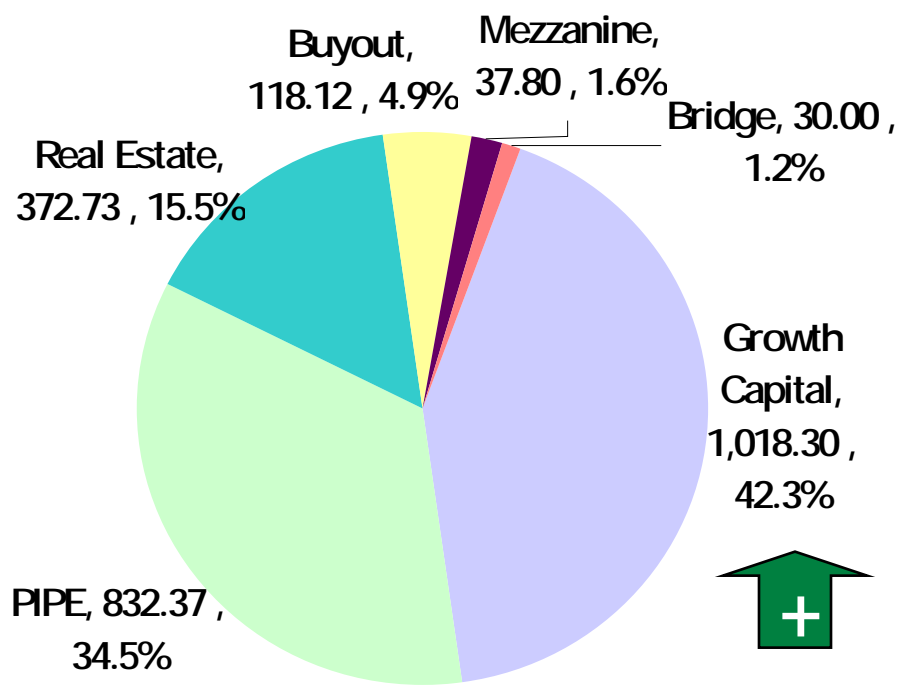
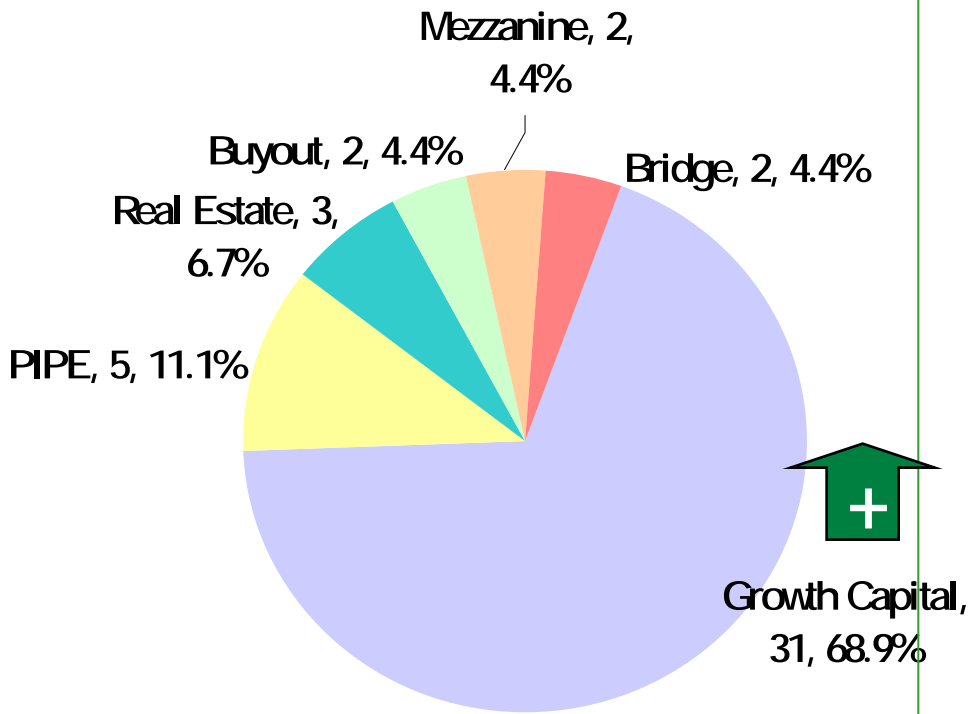
In US\$M



Investment Strategy Distribution

Number of Deals: **45**

Amount Invested: **US\$2,409M**

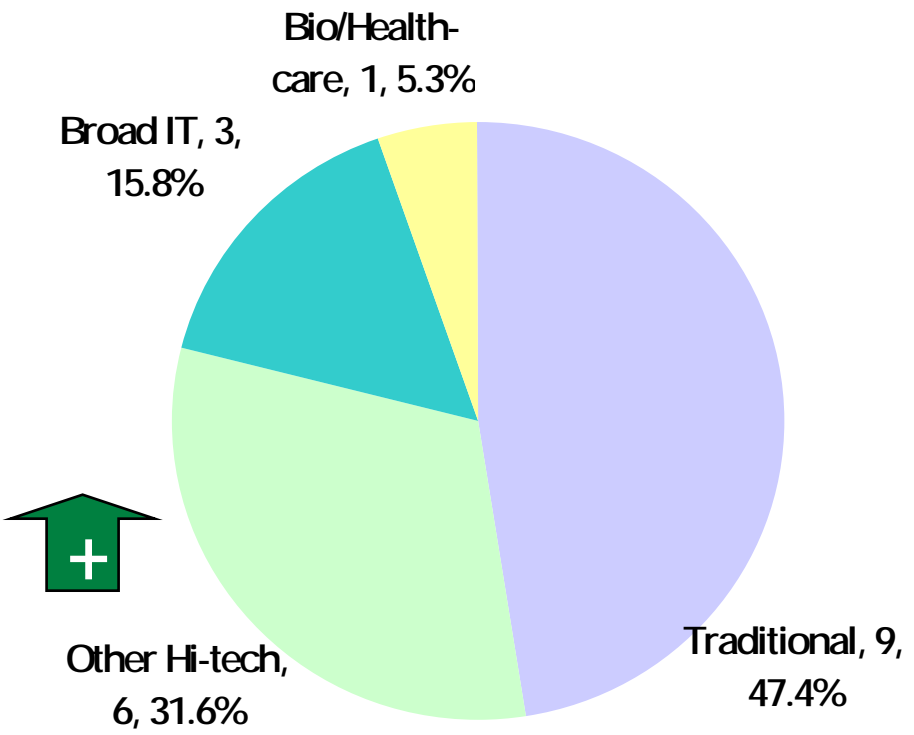


In US\$M

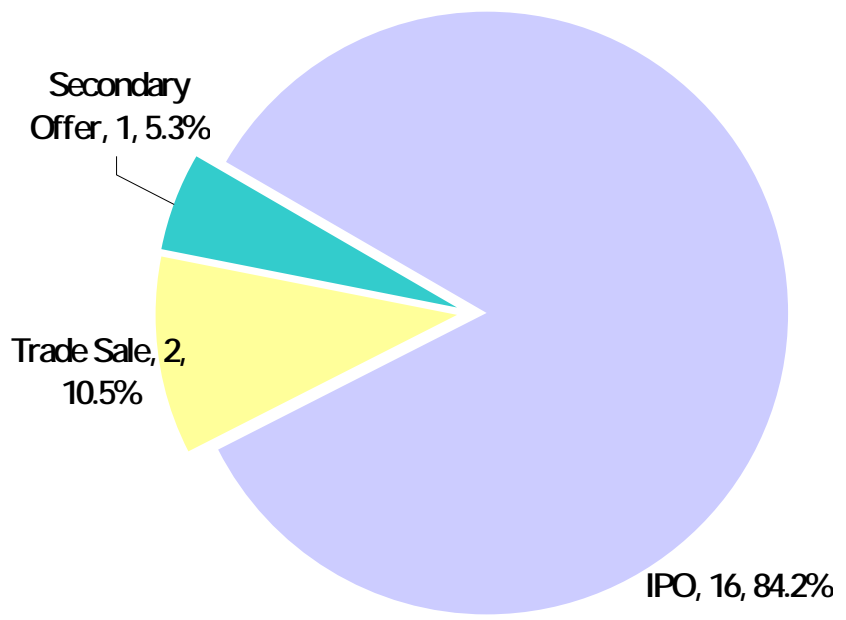


PE Exits

By Industry Distribution: 19

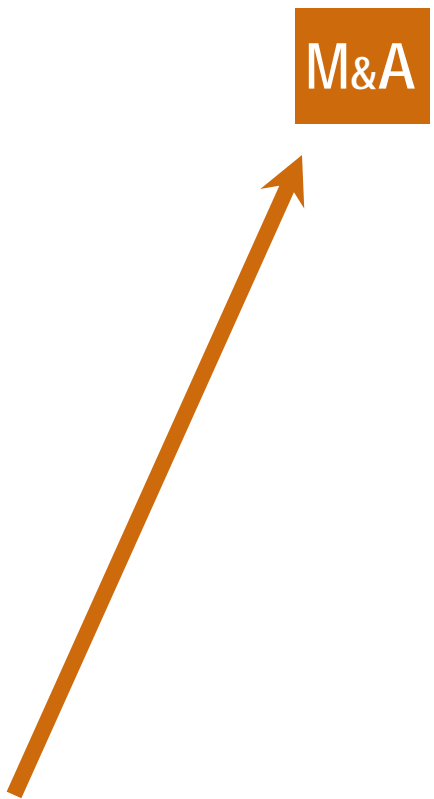


By Exit Option: 19





- VC Venture Capital
- PE Private Equity
- M&A Merger and Acquisition**
- IPO Initial Public Offering

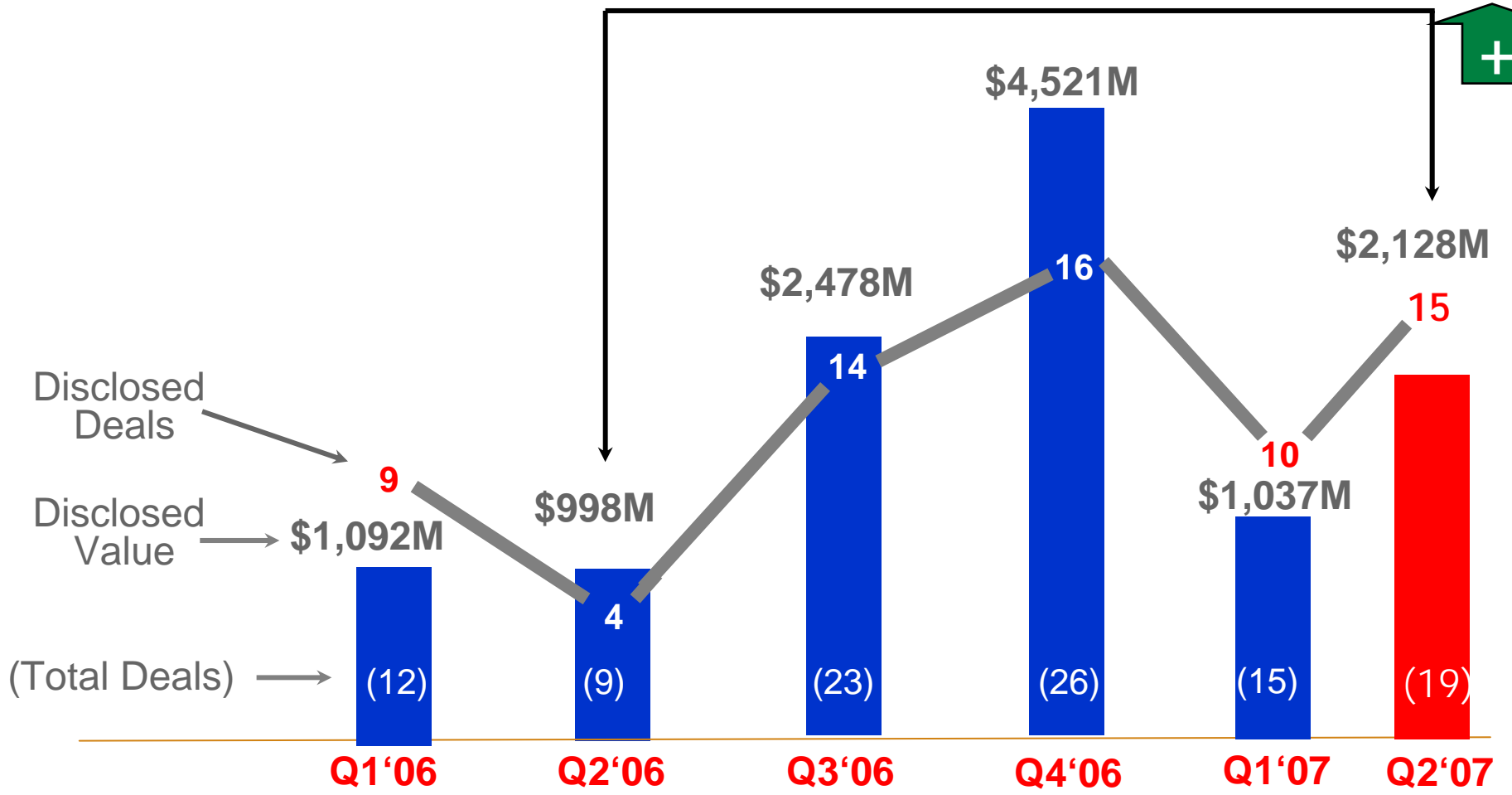


M&A



Cross-Border M&A

Q2 YoY: +113% dollars, + 111% deals

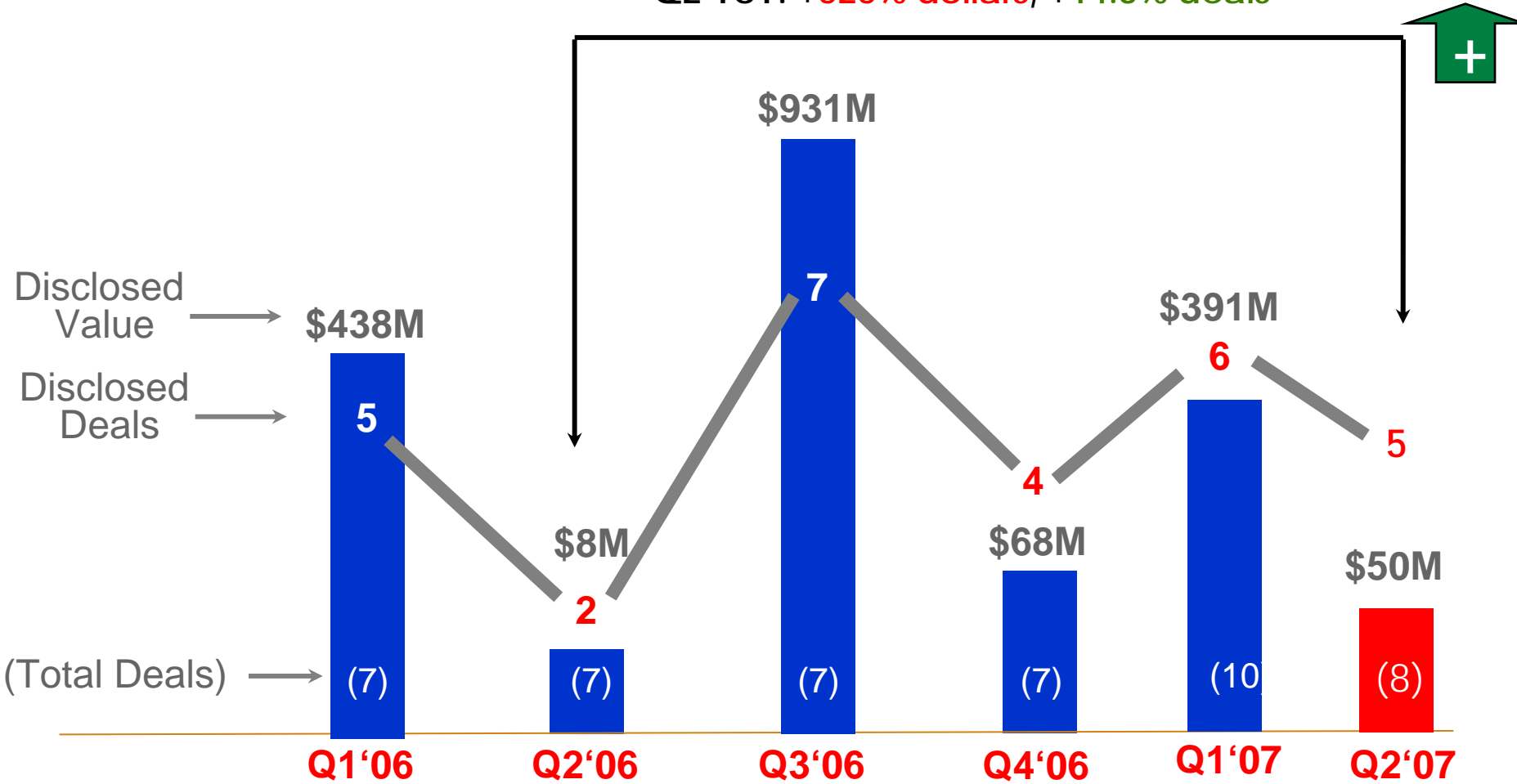


Dollar numbers rounded for clarity



VC/PE-backed M&A

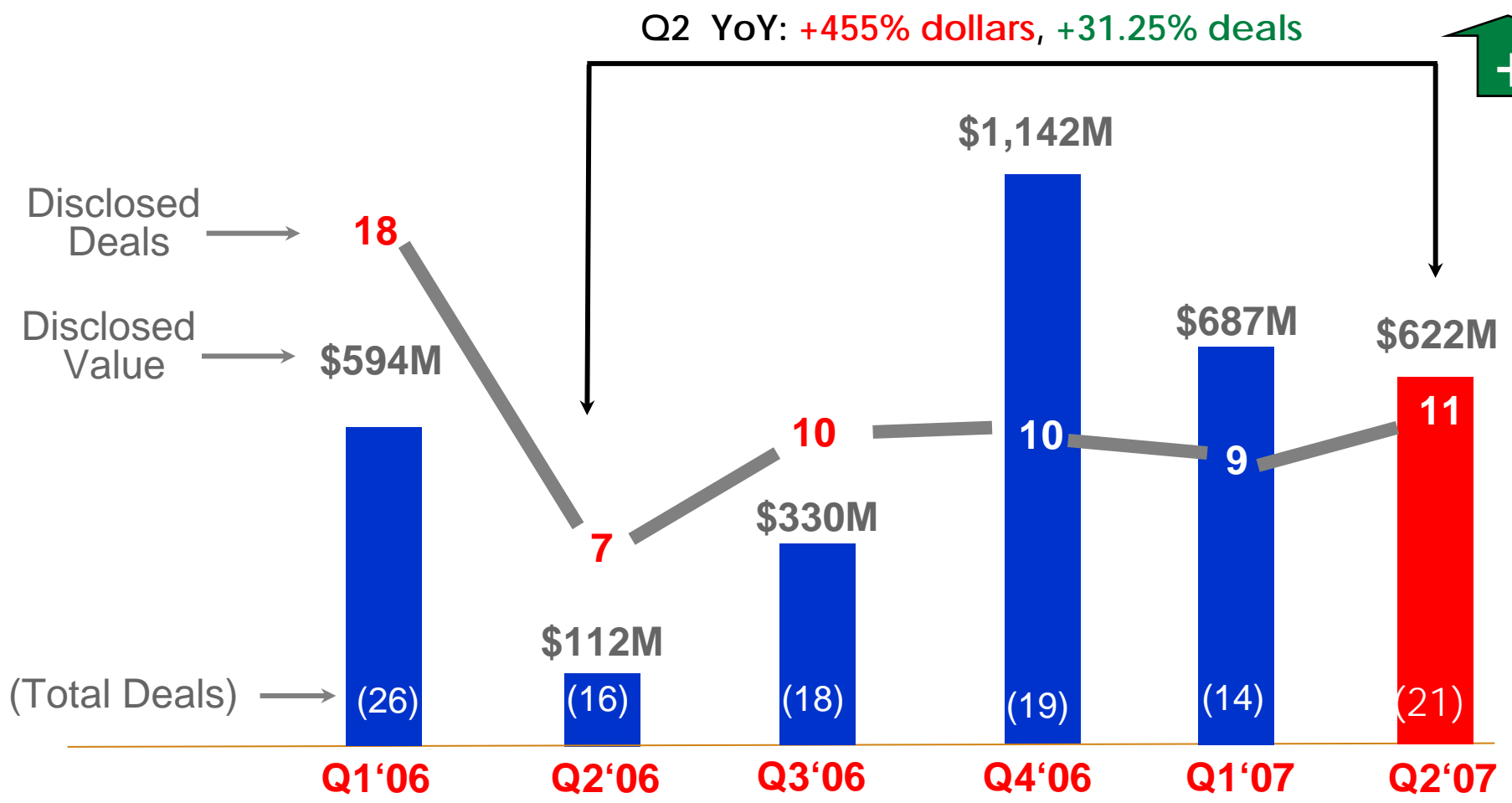
Q2 YoY: +525% dollars, +14.3% deals



Dollar numbers rounded for clarity



Technology-Media-Telecom (TMT)

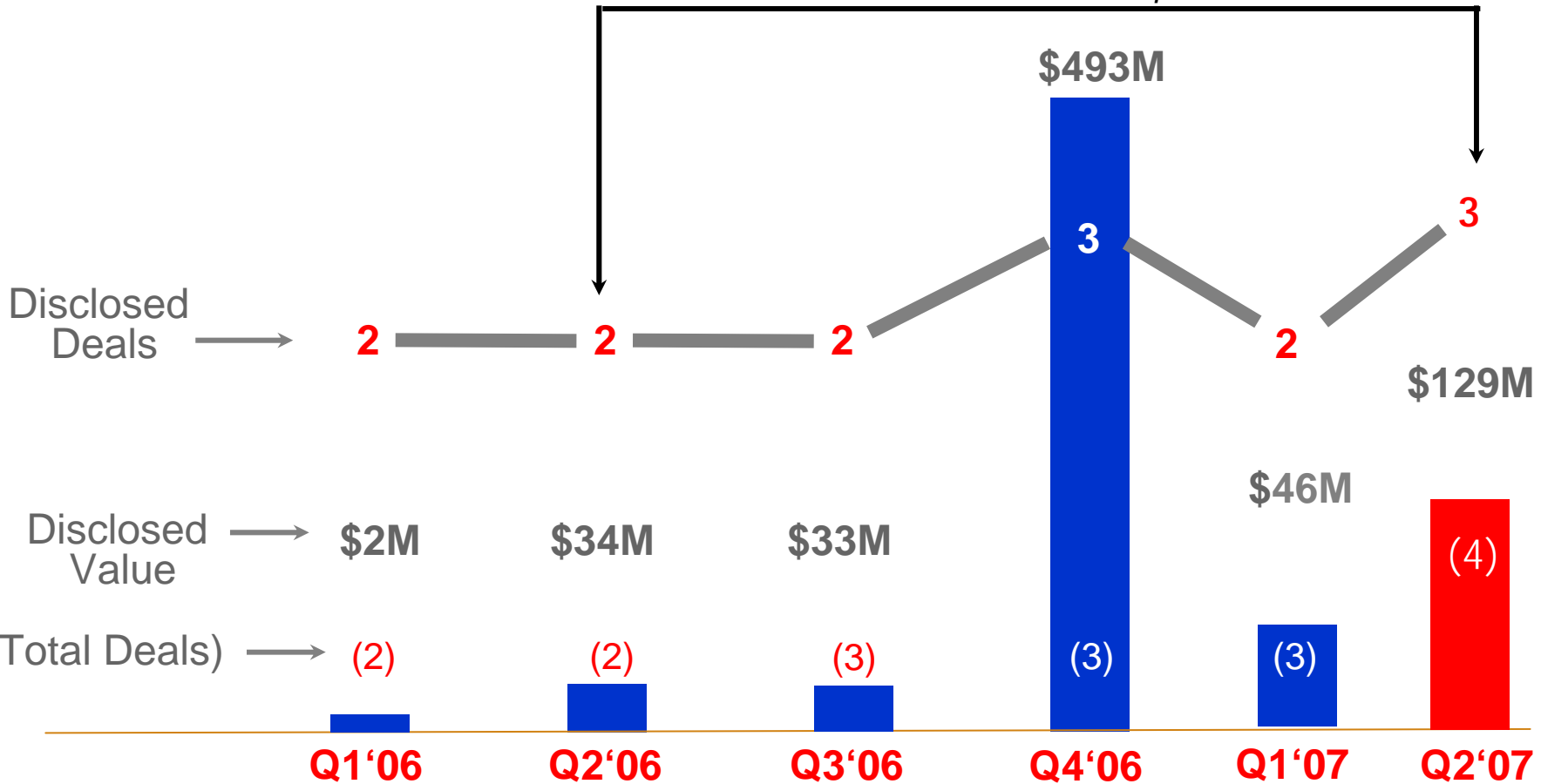


Dollar numbers rounded for clarity



Bio/Healthcare

Q2 YoY: + 279% dollars, +100%deals

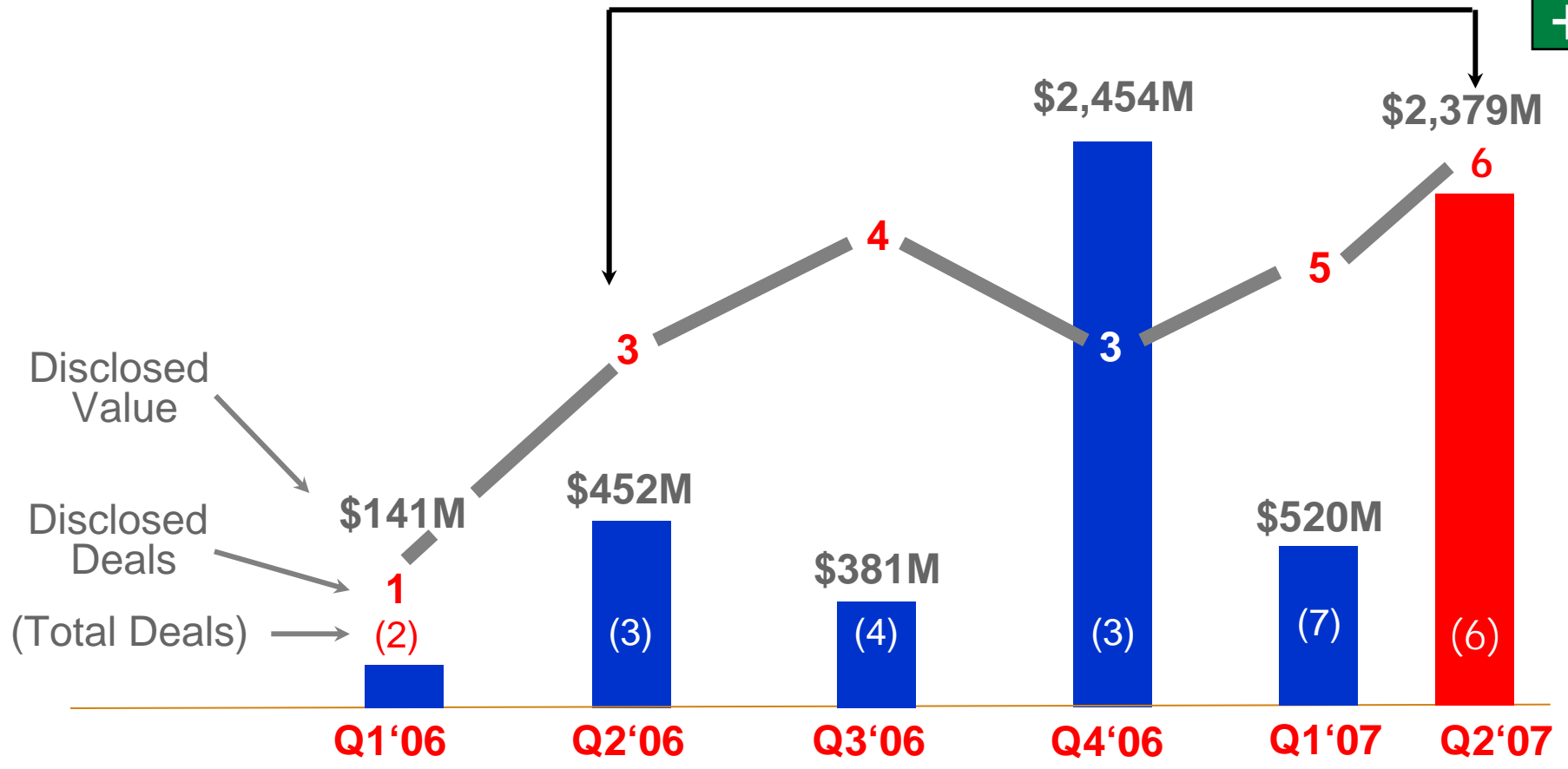


Dollar numbers rounded for clarity



Energy

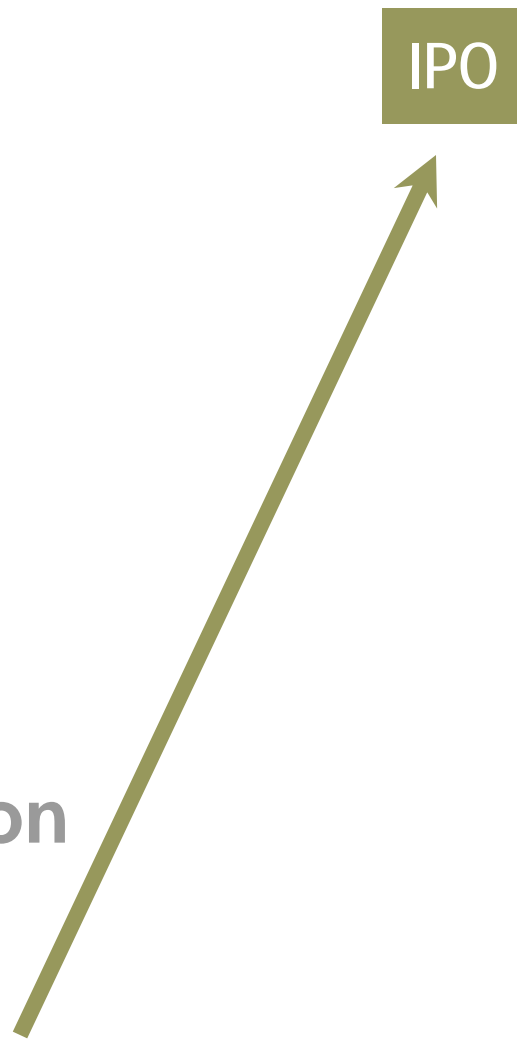
Q2 YoY: + 426% dollars, + 100% deals



Dollar numbers rounded for clarity



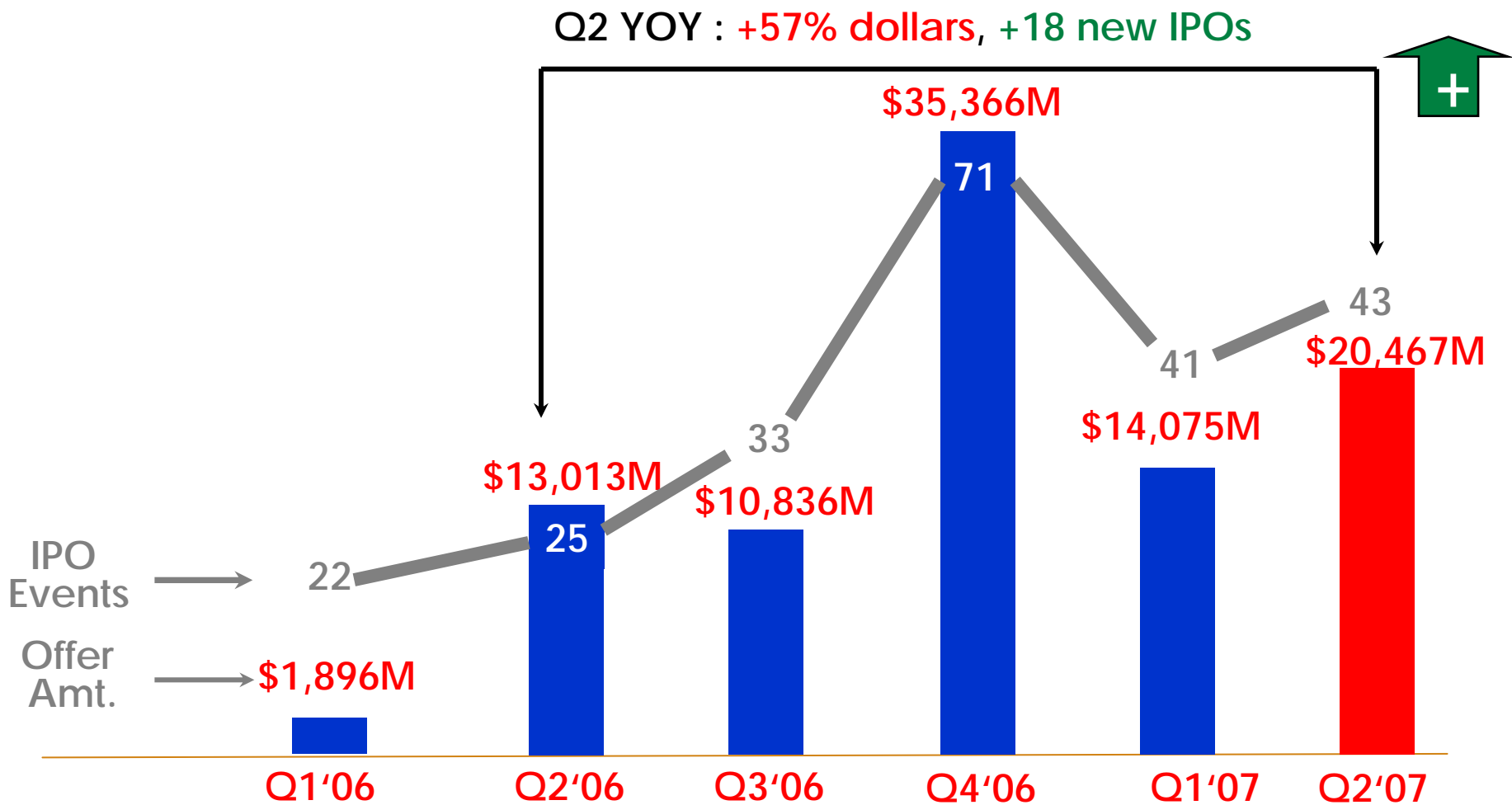
- VC Venture Capital
- PE Private Equity
- M&A Merger and Acquisition
- IPO Initial Public Offering**



IPO



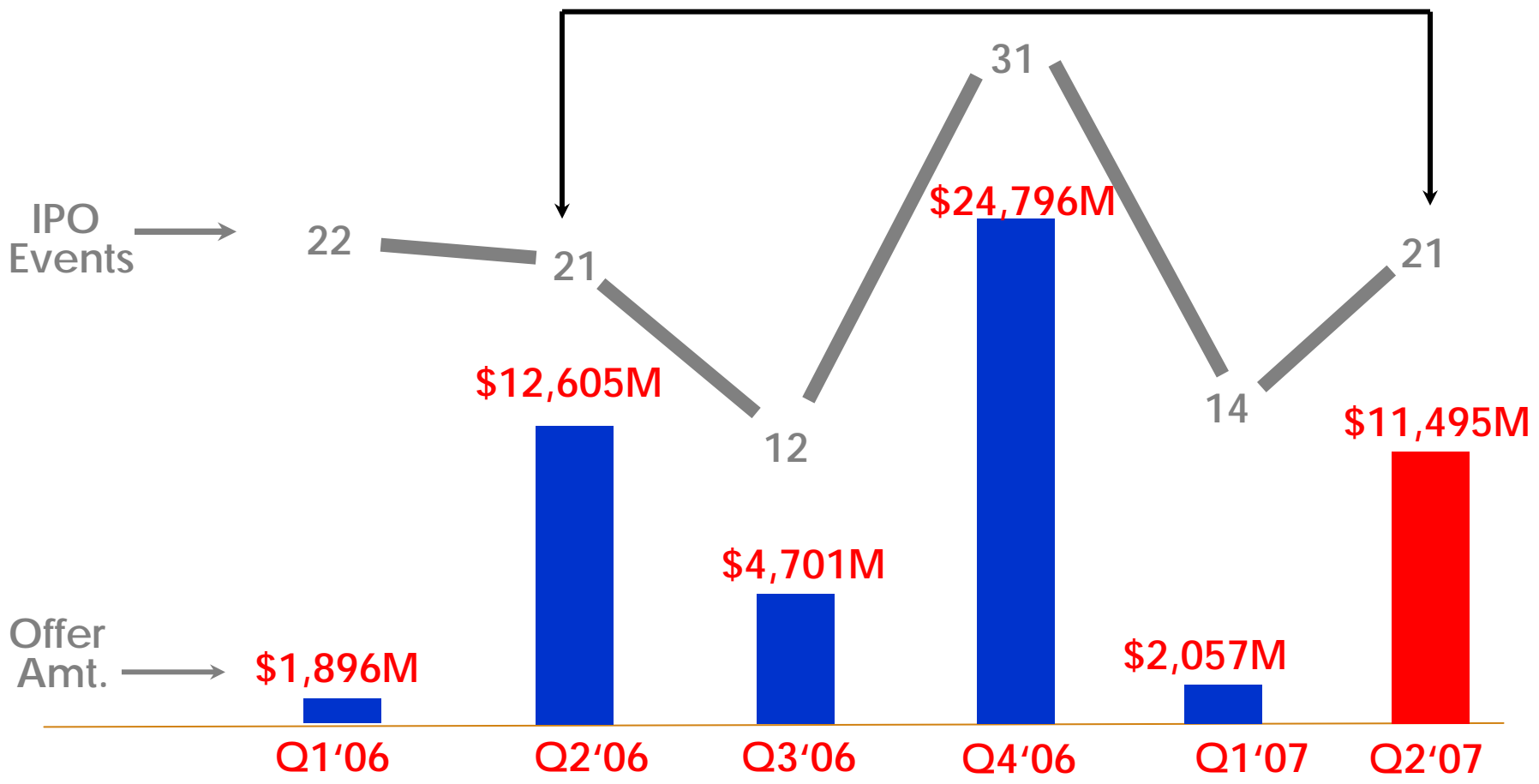
China Enterprises IPO – Overall





China Enterprises IPO - Overseas

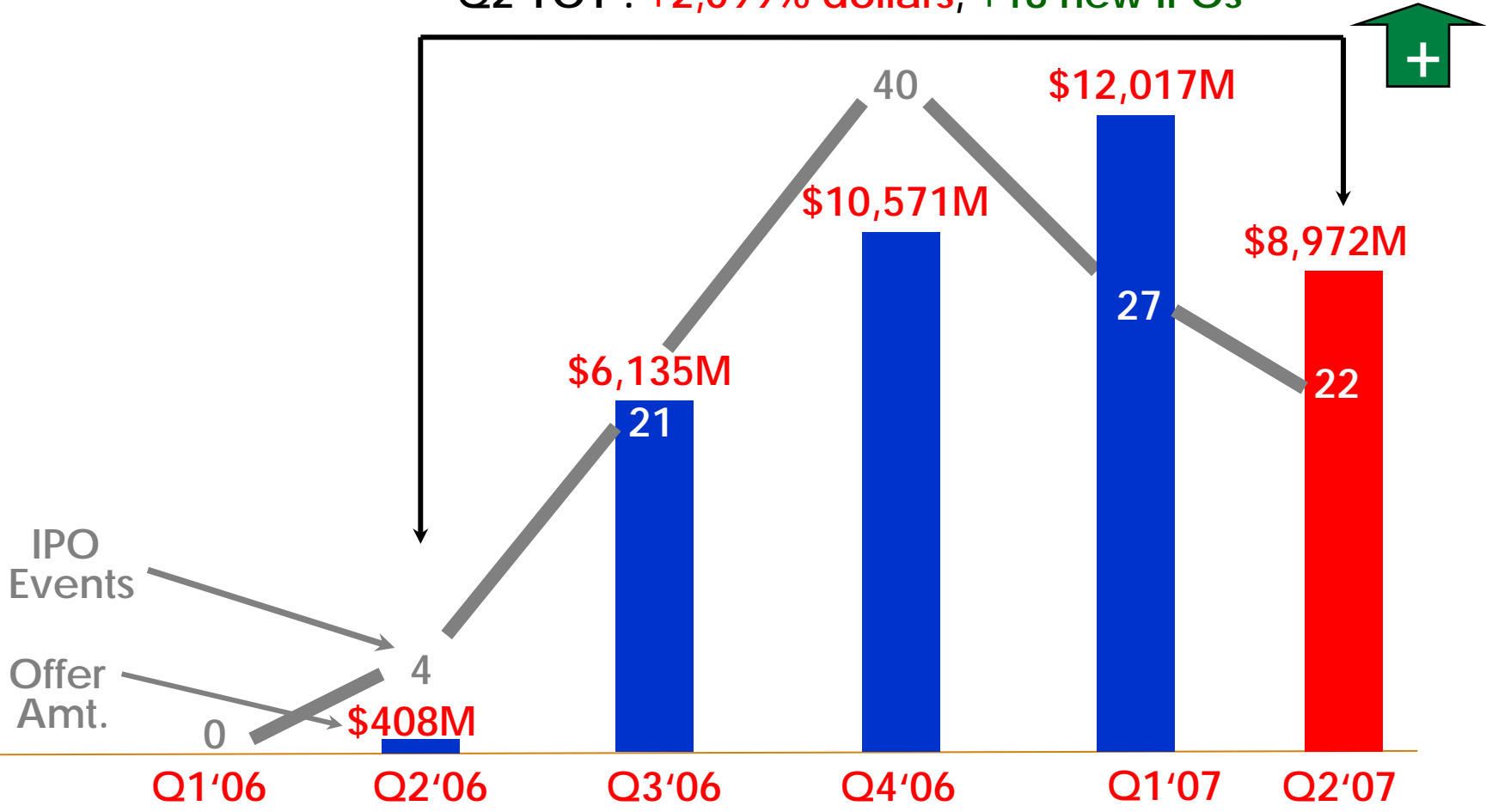
Q2 YOY : -9.7% dollars, deals no Change





China Enterprises IPO - Domestic

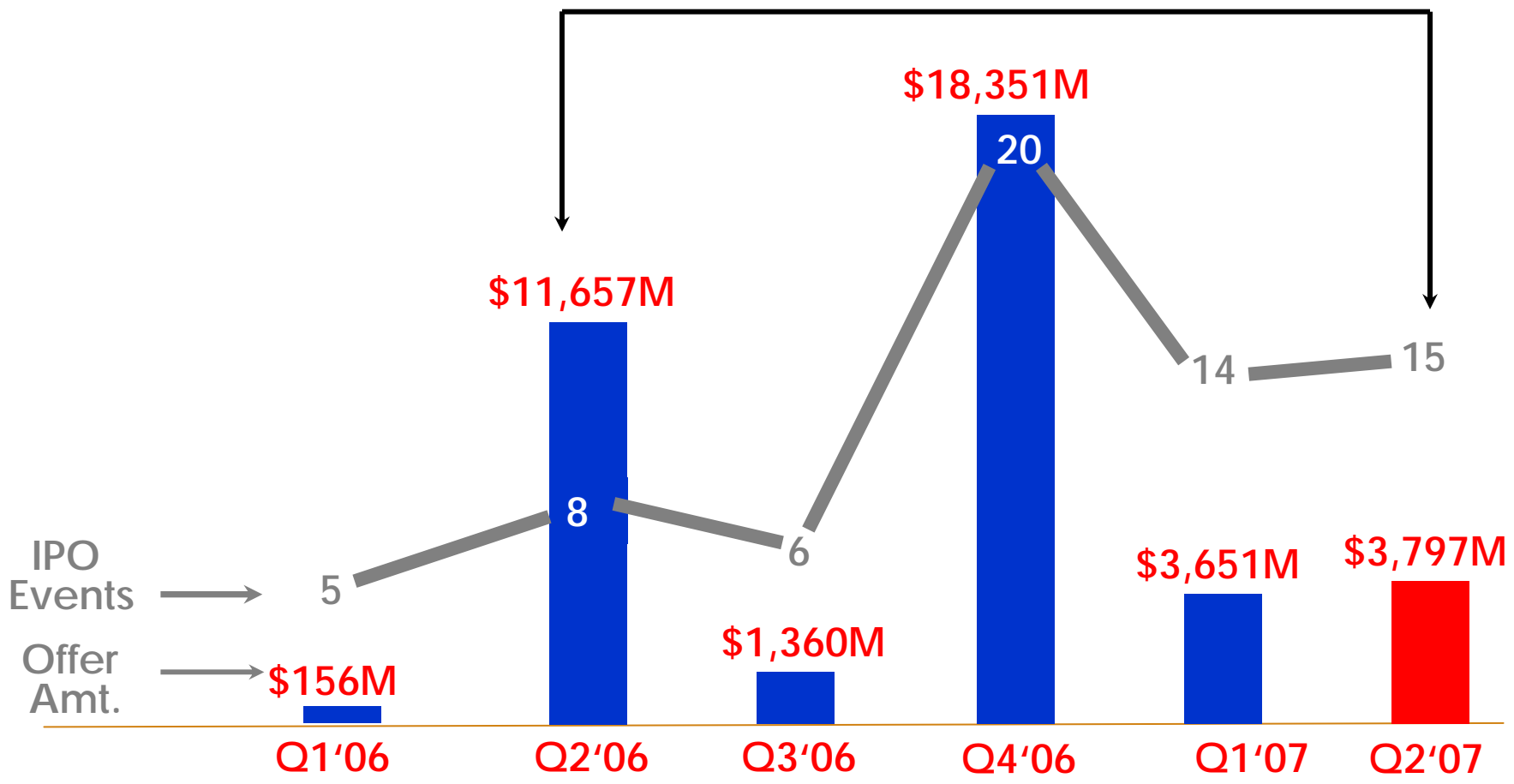
Q2 YOY : +2,099% dollars, +18 new IPOs





VC/PE-backed IPO – Overall

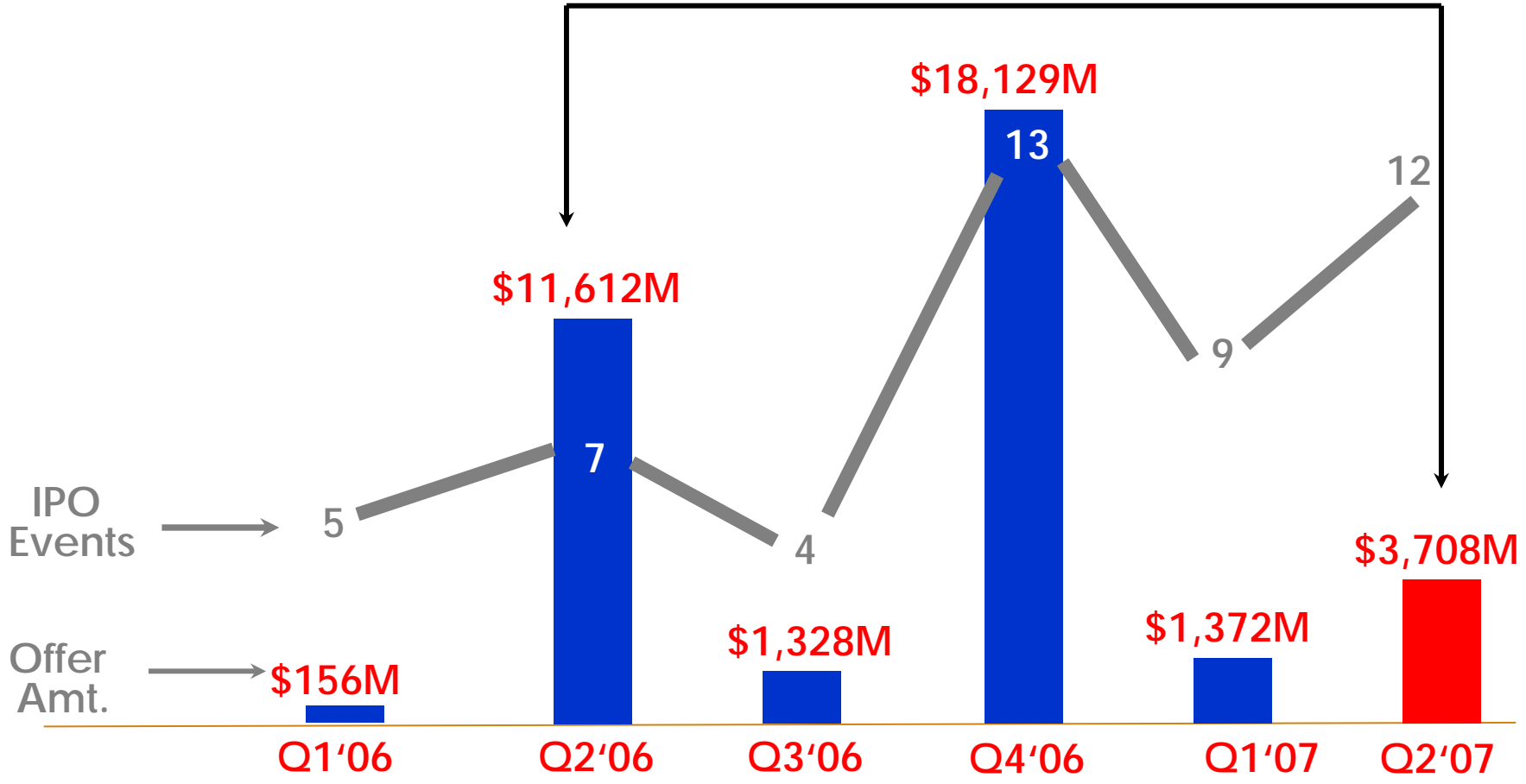
Q2 YOY : -207% dollars, +7 new IPOs





VC/PE-backed IPO – Overseas

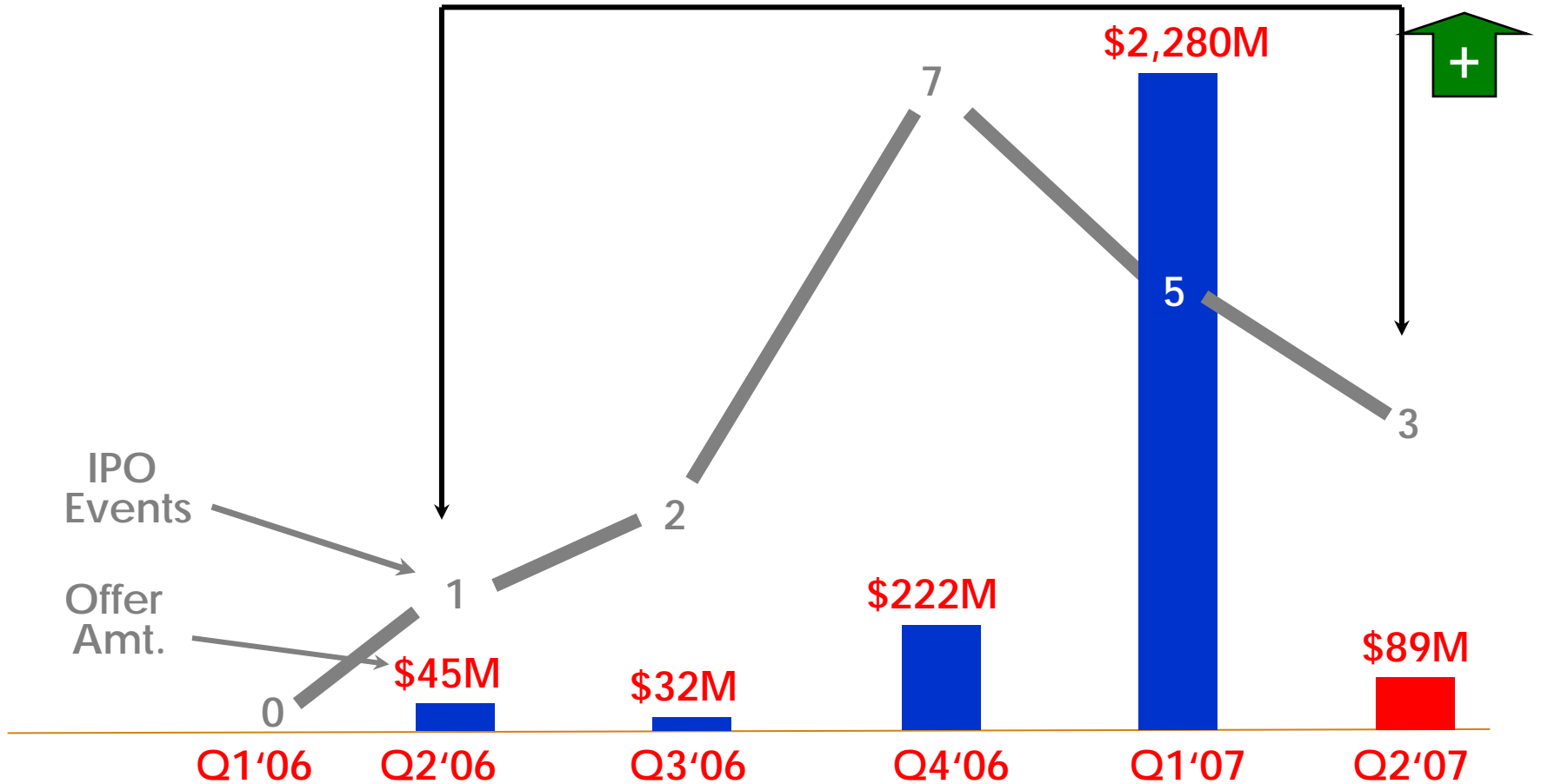
Q2 YOY : -68% dollars, +5 new IPOs





VC/PE-backed IPO - Domestic

Q2 YOY : +98% dollars, +2 new IPOs





15 VC/PE-backed IPOs in Q2

Company	Date of Listing	Market	Industry	Backed VC/PE
Xiangtan Electric Chemical Technology Stock (湘潭电化)	2007-4-3	Shenzhen SME Board	Traditional (Energy)	北京长运兴安投资有限责任公司 (VC)
Yangzijinag Shipbldg Hldgs Ltd. (扬子江造船厂)	2007-4-18	SGX	Traditional (Machinery Manufacturing)	SEAVI Advent Asia Investments (III) (PE), Asean China Investment Fund (PE), Gemini Asia Growth (PE)
Simcere Pharmaceutical Group (先声药业)	2007-4-20	NYSE	Bio/Healthcare (Pharmaceuticals)	Hony Capital II (PE)
Asia Media (宽视网络)	2007-4-26	Mothers	Services (Media)	Sequoia (VC), JAFCO (VC)



15 VC/PE-backed IPOs in Q2

Company	Date of Listing	Market	Industry	Backed VC/PE
Acorn International, Inc. (橡果国际)	2007-5-3	NYSE	Service (Retail)	SAIF (VC)
China Sunergy (中电电气)	2007-5-17	NASDAQ	Other Hi-Tech (Clean Energy)	Exuberance Investment (VC), Prax Capital (PE), China Environment Fund 2004 (VC)
Belle International Holdings (百丽)	2007-5-23	HKMB	Traditional (Daily Articles)	Morgan Stanley (PE), CDH (PE)
LDK Solar Co., Ltd. (江西赛维)	2007-6-1	NYSE	Other Hi-Tech (Clean Energy)	CDH SolarFuture (VC), JAFCO (VC), China Environment Fund 2004 (VC), MUS Roosevelt China Pacific Fund (PE), Financiere Natixis Singapore 4 (PE)



15 VC/PE-backed IPOs in Q2

Company	Date of Listing	Market	Industry	Backed VC/PE
Yingli Green Energy Holding (天威英利)	2007-6-8	NYSE	Other Hi-Tech (Clean Energy)	Deutsche Bank (PE), Baytree Investments (Mauritius) (PE)
Tianneng Power International Ltd. (天能动力)	2007-6-11	HKMB	Traditional (Daily Articles)	新世界利宝 (VC), PraxCapital (PE)
Sunlord Electronics (顺络电子)	2007-6-13	Shenzhen SME Board	Traditional (Chip Passive Components)	Guangdong Technology Venture Capital Group (VC)
Sunny Optical Technology (舜宇光学)	2007-6-15	HKMB	IT (Opto-electronics)	Chengwei Ventures(VC), Investor AB Funds (VC)



15 VC/PE-backed IPOs in Q2

Company	Date of Listing	Market	Industry	Backed VC/PE
China XLX Fertiliser (心连心化肥)	2007-6-20	SGX	Traditional (Agriculture)	Asean China Investment Fund (PE), Aventures 1 (PE), SkyVen Growth Capital Fund (PE)
Spreadtrum Communications (展讯通信)	2007-6-27	NASDAQ	Broad IT (IC)	NEA (VC) Fortune Venture Investment Group (VC), Central Technology Venture Capital Investment (VC), Communication Technology Venture Capital Investment (VC), Emerging Technology Venture Capital Investment (VC), Golden Technology Venture Capital Investment (VC), Grand Cathay & Fortune Technology Venture Capital Investment (VC),



15 VC/PE-backed IPOs in Q2

Company	Date of Listing	Market	Industry	Backed VC/PE
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(continued)

Legend Technology Venture Capital Investment (VC), NCTU Spring I Technology Venture Capital Investment (VC), Titan Technology Venture Capital Investment (VC), Pacific Venture Partners (VC), Fortis Private Equity Asia Fund N.V. (PE), IP Fund One, L.P. (VC), Parawin Venture Capital (VC)

Topband (拓邦电子)	2007-6-29	Shen-zhen SME	Traditional (Electronic equipment)	Zhuhai Tsinghua Science Park Venture Capital (VC)
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Key Observations

1. IT investment hold steady, while non-tech, healthcare and clean tech are hot.
2. Late stage remain competitive while branded early stage VC firms are seeing less competition. Growth stage investment has slowed down.
3. Valuation at early stage is stable but the ones for growth and late stage rise for about 30%.
4. Q2 M&A market is more dynamic. IPOs in non-tech and on domestic markets are growing.
5. Deal structures are getting more complicated, JV model is becoming broadly used now: recent China regulations favor China investments and China IPOs but hinder foreign investments and foreign IPOs. The overall timing for closing deals are delayed for about 3-6 months.
6. Do not miss the opportunities in RMB fund and China domestic stock market. It is time to raise RMB funds and exited from A share listing.
7. The best time for foreign VCs to enter China may close during 2007 but leading global PE funds are rushing in and buyout is at very beginning. Competition between foreign & domestic PEs are getting intensive.
8. LPs need to be more aggressive in getting into branded VC/PE firms. The top 20 VC/PE firms in China can bring good returns for LPs.
9. Changing regulations/circulars is not a huge issue in the long run as Chinese government remains strongly supporting a opening policy.
10. Opportunities and challenges are always there in China. Patient and more localized VC/PE firms and LPs will get rewarded.

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Thank You!

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