Résearch In China

China Equity Investment Report, 2009-2010



Equity investment includes private equity (PE) investment and venture capital (VC) investment. In 2009, there were 542 equity investments occurred in China, including 114 PE investments and 428 VC investments; the equity investment valued US\$22.4 billion, average PE investment was US\$164 million, and average VC investment was US\$8.8 million. The remarkable 19:1 gap between average PE and VC investments mainly resulted from the fact that PE investments are often made in the enterprises that are making profits and need larger amounts of money for mergers and reorganization, while VC investments mostly are financial investments made in the enterprises that are developing or expanding their business and require smaller amounts of money. In 2009, in terms of the number of equity investments made in China, the manufacturing industry got the largest share (19%), followed by the IT, Internet, energy, and healthcare industries; in terms of the amount of equity investments, the financial industry got US\$18.36 billion, followed by the chain operation, energy, manufacturing, food and beverage industries.



From 2009 to 2010, among the equity investment companies in China, PE investment companies are mainly foreign-funded companies, while VC investment companies are generally Chinese-funded companies. The reason for foreign-funded companies holding a leading position in the PE sector is: PE investments often involve larger amounts of money, and compared with domestic companies, foreign companies have more solid financial strength. Famous PE investment companies include The Carlyle Group, The Goldman Sachs Group, Inc., and CDH Investments. The reason for Chinese-funded companies holding a leading position in the VC sector is: domestic equity funds were encouraged by the launch of GEM, while foreign companies were relatively cautious in venture capital activities due to the financial crisis. Active VC investment companies in 2009 included Shenzhen Capital Group, Legend Capital and Shenzhen Fortune Venture Capital Company Limited.

Shenzhen Fortune Venture Capital (Fortune VC) was established on April 19, 2000. Now, it manages seven funds, and is entrusted to manage the fund of nearly RMB3 billion. By June 3, 2010, Fortune VC had invested in over 70 SMEs , 11 of which went public successfully, including COSHIP Electronics, Talkweb Information System, Joint-Wit Medical & Pharmaceutical, Fujian Sunner Development, EVE Energy, Aier Eye Hospital Group, ChinaNetCenter, BlueFocus Communication , Sumavision Technologies, H&T Intelligent Control, and Kingold Jewelry (NASDAQ-listed). The eleven enterprises plus the Xi'an Dagang Road Machinery that was approved the listing by China Securities Regulatory Commission on May 28, 2010, are expected to deliver at least a 15x ROI on average.



Investments of Fortune VC, 2009-2010

Date	Enterprise	Value (US\$M)
April 20, 2010	Juxing Building Materials	10.25
April 19, 2010	Biote	N/A
	Shenzhen Champion Connection	N/A
April 16, 2010	Sichuan Xunyou Network Technology	14.64
April 9, 2010	Gvitech Technologies	8.78
April 1, 2010	Kai Xing Electronic	2.2
March 31, 2010	Meidiclon	N/A
March 10, 2010	Sino Data	N/A
December 29, 2009	Sky Scenery Food	N/A
December 29, 2009	Huatu Education	29.28
December 28, 2009	Tian Hua Bo Shi Electric	N/A
November 18, 2009	Job36	N/A
November 5, 2009	Gpcsoft	2.93
September 1, 2009	Chenguang Biotech	6.59
August 28, 2009	New Auto	N/A
August 21, 2009	Hunan Yuyuan Biotech	N/A
August 19, 2009	Shang Pin Zhai Pei 10.25	
July 29, 2009	Hunan Publishing Investment Holding Group	66.6
June 30, 2009	315.com.cn	14.64
June 30, 2009	Xi'an Dagang Road Machinery	3.8
June 19, 2009	Hantele	2.2
April 24, 2009	Sunbird Yacht	4.54
April 24, 2009		N/A
April 1, 2009	TJ Innova Engineering &	7.32
January 4, 2009	iPanel	37.35

Source: ResearchInChina



Table of Contents

- 1. Equity Investment Overview
- 1.1 Definition
- 1.2 Classification
- 1.2.1 Private Equity
- 1.2.2 Venture Capital
- 1.2.3 Difference between Private Equity and Venture Capital
- 1.3 Equity Investment in China
- 1.3.1 Private Equity
- 1.3.2 Venture Capital
- 2. Equity Investment Policies in China
- 2.1 National Policies
- 2.2 Regional Policies
- 3. Equity Investment in China, 2009
- 3.1 Scale
- 3.1.1 Private Equity
- 3.1.2 Venture Capital

- 3.2 Industries
- 3.2.1 Comparison of PE and VC by Number of Investments
- 3.2.2 Comparison of VC and PE by Amount of Investments
- 3.3 Stages
- 3.4 Regions
- 3.4.1 PE
- 3.4.2 VC
- 3.5 Chinese and Foreign Investors
- 3.5.1 PE
- 3.5.2 VC
- 4. Equity Investment in China, 2010
- 4.1 Scale
- 4.2 Industries
- 4.3 Stages
- 4.4 Regions
- 4.5 Chinese and Foreign Investors



- 5. Equity Investment in Key Chinese Industries
- 5.1 Healthcare Industry
- 5.1.1PE
- 5.1.2 VC
- 5.2 IT Industry
- 5.2.1 PE
- 5.2.2 VC
- 5.3 Energy Industry
- 5.3.1 PE
- 5.3.2 VC
- 5.4 Internet Industry
- 5.4.1 PE
- 5.4.2 VC
- 5.5 Media & Entertainment Industry
- 5.5.1 PE
- 5.5.2 VC
- 6. Key Private Equity Investment Companies
- 6.1 Carlyle
- 6.1.1 Investments
- 6.1.2 Carlyle Asia Partners III

- 6.2 Goldman Sachs
- 6.2.1 Profile
- 6.2.2 Investments and Exits
- 6.2.3 Preference for China after the Financial Crisis
- 6.3 CDH
- 6.3.1 Profile
- 6.3.2 Investments
- 6.4 Warburg Pincus
- 6.4.1 Profile
- 6.4.2 Investments and Exits
- 6.5 New Horizon Capital
- 6.5.1 Profile
- 6.5.2 Investments
- 6.6 Baring Private Equity Asia
- 6.6.1 Profile
- 6.6.2 Investments and Exits
- 6.7 CCB International
- 6.7.1 Profile
- 6.7.2 Investments
- 6.7.3 New Funds



- 6.8 TPG
- 6.9 Prax Capital
- 6.9.1 Profile
- 6.9.2 Investments
- 6.10 Beijing Hony Future Investment Advisor Limited
- 6.11 Hopu Investments Management Company Limited
- 6.12 Bain Capital
- 6.13 CITIC Capital Holdings Limited
- 6.14 Trustbridge Partners
- 6.15 Temasek Holdings
- 7. Key Venture Capital Investment Companies
- 7.1 Shenzhen Capital Group
- 7.1.1 Profile
- 7.1.2 Investments and Exits
- 7.2 Legend Capital
- 7.2.1 Profile
- 7.2.2 Investments
- 7.3 Shenzhen Fortune Venture Capital Company Limited

- 7.3.1 Profile
- 7.3.2 Investments
- 7.4 Kunwu Jiuding Capital Company Limited
- 7.4.1 Profile
- 7.4.2 Investments
- 7.5 Orchid Asia Group Management Limited
- 7.6 SAIF Partners
- 7.7 China Science and Merchants Capital Management Company Limited
- 7.8 IDG Capital Partners
- 7.9 Intel Capital
- 7.10 Sequoia Capital China
- 7.11 Green Pine Capital Partners
- 7.12 Tiantu Capital
- 7.13 Cowin Capital
- 7.14 iD TechVentures
- 7.15 SB China Venture Capital
- 7.16 DFJ
- 8. Development Trends of Equity Investment in China

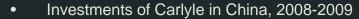
Selected Charts

- Policies and Regulations for Equity Investment, 1991-2007
- Private Equity Fund Raising in Asia (including Mainland China), 2006-2008
- Venture Capital Raising, 2002-2008
- Comparison of VC and PE by Number/Amount of Investments in China, 2009
- Quarterly PE Investment Scale in China, 2008-2009
- Quarterly PE Investment by Average Amount of Single Investment in China, 2008-2009
- Quarterly VC Investment Scale in China, 2002-2009
- Quarterly VC Investment by Average Amount of Single Investment in China,2002-2009
- Number of PE and VC Investments by Industry
- Share of PE and VC Investments by Industry in China, 2009
- Amount of PE and VC Investment by Industry
- Share of PE and VC Investment by Industry
- VC and PE Investment Scale by Development Stage of Enterprises in China, 2009
- Investment Scale in China Equity Investment Market by Region, 2009
- Regional PE Investment Scale in China, 2009
- Regional VC Investment Scale in China, 2009
- Number of Equity Investments of Chinese Investors and Foreign Investors in China, 2009
- Amount of Equity Investments of Chinese Investors and Foreign Investors in China, 2009
- Number of PE Investments of Chinese Investors and Foreign Investors in China, 2009



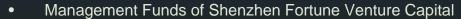
- Amount of PE Investment of Chinese Investors and Foreign Investors in China, 2009
- Number of PE Investments of Chinese Investors and Foreign Investors in China by Quarter, 2008-2009
- Amount of PE Investments of Chinese Investors and Foreign Investors in China by Quarter, 2008-2009
- Number of VC Investments of Chinese Investors and Foreign Investors in China, 2009
- Amount of VC Investments of Chinese Investors and Foreign Investors in China, 2009
- Equity Investment Scale in China, Q1 2010
- Number of Equity Investments by Industry, Q1 2010
- Amount of Equity Investments by Industry, Q1 2010
- Equity Investment by Stage, Q1 2010
- Equity Investment by Region, Q1 2010
- Chinese and Foreign Investments in China Equity Investment Market, Q1 2010
- PE Investment in China Healthcare Industry, 2009-2010
- VC Investment in China Healthcare Industry, 2009-2010
- Investment in China Healthcare Industry by Development Stage of Enterprises in China, 2009
- PE Investment in IT Industry, 2009-2010
- VC Investment in IT Industry, 2009-2010
- PE Investment in Energy Industry, 2009-2010
- VC Investment in Energy Industry, 2009-2010
- PE Investment in Internet Industry, 2009-2010
- VC Investment in Internet Industry, 2009-2010
- PE Investment in Media & Entertainment Industry, 2009-2010
- VC Investment in Media & Entertainment Industry, 2009-2010





- Investments of Goldman Sachs in China, 2008-2010
- Goldman Sachs-backed Chinese Enterprises Listed in China, 2007-2010
- Goldman Sachs-backed Chinese Enterprises Listed Overseas, 2007-2010
- Investments of CDH, 2008-2010
- Investments of Warburg Pincus in China, 2007-2010
- Exits of Warburg Pincus, 2009
- Investments of New Horizon Capital, 2007-2010
- Investments of Baring Private Equity Asia in China, 2007-2010
- Exits of Baring Private Equity Asia, 2008-2010
- Some Investments of CCB International, 2007-2010
- Investments of TPG in China, 2007-2009
- Investments of Prax Capital, 2006-2010
- Investments of Hony Capital, 2007-2010
- Investments of Hopu Investment Management in China, 2008-2010
- Investments of Bain Capital in China, 2006-2009
- Management Funds of CITIC Capital
- Investments of CITIC Capital, 2008-2009
- Recent Investments of Trustbridge Partners
- Investments of Temasek in China, 2007-2010
- Exits of Temasek
- Management Funds of Shenzhen Capital Group
- Some Investments of Shenzhen Capital Group, 2009-2010
- Exits of Shenzhen Capital Group
- Management Funds of Legend Capital
- Investments of Legend Capital, 2008-2010





- Investments of Shenzhen Fortune Venture Capital, 2008-2010
- Investments of Kunwu Jiuding Capital, 2008-2010
- Management Funds of Orchid Asia
- Investments of Orchid Asia, 2007-2010
- Investments of SAIF Partners, 2007-2009
- Investments of China Science and Merchants Capital Management, 2003-2009
- Management Funds of IDG Capital
- Investments of IDG Capital, 2008-2010
- Investments of Intel Capital, 2008-2009
- Some Management Funds of Sequoia Capital China
- Investments of Sequoia Capital China, 2009-2010
- Investments of Green Pine Capital, 2009
- Investments of Tiantu Capital, 2008-2010
- Investment Projects of Cowin Capital by Industry
- Investments of iD TechVentures, 2008-2009
- Management Funds of SB China Venture Capital
- Investments of SB China Venture Capital, 2008-2010
- Investments of DFJ in China, 2007-2009



How to Buy

Product details			How to Order
USI Single user 1,800	USD		By email: report@researchinchina.com
	1,800 PDF	PDF	By fax: 86-10-82601570
Enterprisewide	2,700	PDF	By online:
Publication date: June 2010			www.researchinchina.com

For more information, call our office in Beijing, China:

Tel: 86-10-82600828

Website: www.researchinchina.com

