



Predictions on "New Third Board Expansion"--15 Hi-tech Zones Are Likely to Come to the Fore

>>P2

Hot News

- P6 Moonbasa Plans to Go Public in the US
- P6 Tencent Collaboration Fund Upsized to RMB10B, for "Building another Tencent"
- P6 Tianzheng Investment Injects RMB92.89M into Hwagain Group
- P7 Hunan Juewei Duck Neck Wins RMB260M Investment from Fosun and Jiuding
- P7 Shengjing360.com Wins RMB90M Investment from Fortune VC
- P8 Luxin VC Subscribes for 20% Shares in Shandong Fangyuan at RMB24M
- P8 C2B Site Xoyin.com Secures RMB10M Investment from Shikee
- P8 Moca World Completes US\$10M Financing
- P9 Tencent Injects US\$10M into Kela Diamond for Deployment in B2C Field
- P9 M360 Wins Tens of Millions of RMB Investment Led by SCGC
- P10 Macquarie's MGPA Fund Acquires 50% Stake in Galleria Chengdu



Tencent Collaboration Fund Upsized to RMB10B, for "Building another Tencent" >>P6

Predictions on "New Third Board Expansion"--15 Hi-tech Zones Are Likely to Come to the Fore

Analyst with Zero2IPO Research Center

With the China Securities Regulatory Commission (CSRC) gradually outspread its visits to hi-tech zones all over China, the primary working target of the CSRC for this year, New Third Board Expansion, has been near to countdown. Up to now, more than half of 83 hi-tech zones in China have designed to

fight for entering the pilot name list. New Third Board has been running in Zhongguancun Science & Technology Park for five years, accumulating rich experiences. The expanded New Third Board will inject new energy into over-the-counter market and even the construction of multi-level capital market across

China. Meanwhile, the New Third Board Expansion also will unfold a wide development space for hi-tech zones and enterprises in these zones. Who will fight their way out to be the final winners among the all the competitors? Amid such a background, Zero2IPO Research Center, a well-known VC and PE research institute in Great China region, released the latest Research Report on Investment Opportunities

of New Third Board Expansion 2011, which comprehensively sorts out existing national hi-tech zones and gives a systematic analysis on a number of hi-tech zones that may get through to the finals from aspects of background, current status, dominant industry, enterprise qualifications, local support policies, etc. Then, Zero2IPO Research Center will, based on this, make a prediction about the pilot deployment of New Third Board after the expansion.

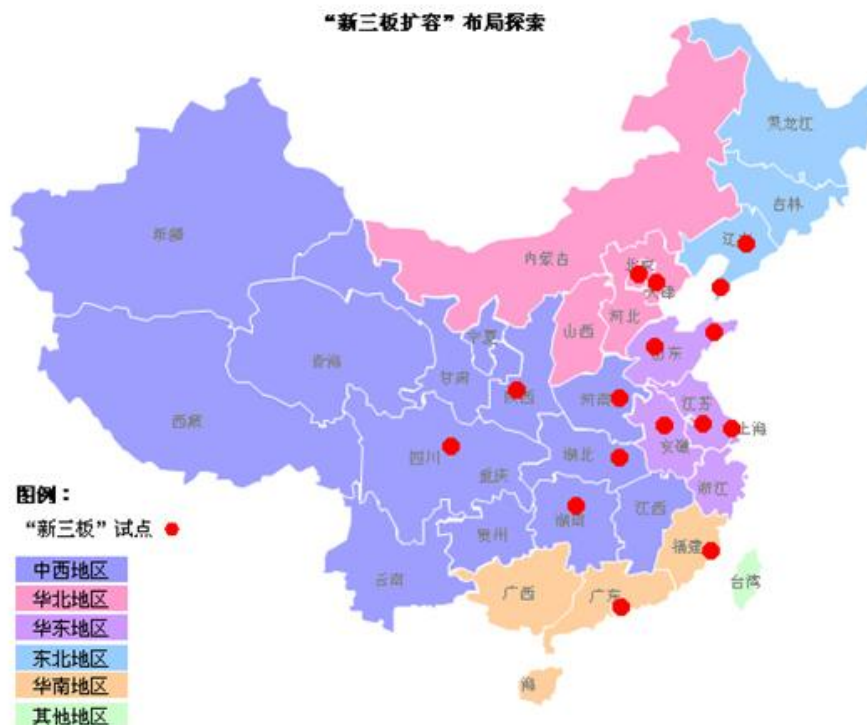
As a national hi-tech industrial zone established with the approval from the State Council, the China National High-tech Industrial Development Zone (National Hi-tech Zone) desires to absorb and utilize foreign advanced technology resources, capitals and management methods via relying on its technological and economic strengths, and transfer technological findings into actual production capacity through various preferential policies and reform measures. Presently, the enterprises in hi-tech zones concentrate in hi-tech industries, such as electronic information technology, biological engineering, new medical technology, new materials, advanced manufacturing, new energy

Figure 1 Geographical Distribution of State-level Hi-tech Zones



Source: Zero2IPO Research Center

Figure 2 Predictions on New Third Board Expansion



Source: Zero2IPO Research Center

and environmental protection, etc.

By the end of 2009, there were 53,692 enterprises in more than 50 hi-tech zones in China, realizing the total revenues of RMB7870.70B with the net profits of RMB446.50B. According to statement announced on the website of the Ministry of Science & Technology, there have been 83 national hi-tech zones across 30 provinces, municipalities and autonomous regions by March 18, 2011, which means that there is a great development space

for national hi-tech zone. (See Figure 1)

The Figure 1 shows that most of provinces in China have established hi-tech zones for local technology and innovation enterprises, but there are imbalances in geographical locations: the hi-tech zones are more densely distributed in eastern coastal areas, especially in Bohai Gulf, Yangtse Delta Region and Pearl River Delta. While in the middle and western regions of China represented by

Sichuan and Qinghai provinces, the number of hi-tech zones is far from enough despite of vast territory. The distribution of hi-tech zones is closely related with the economic development. There are large numbers of SMEs located in Jiangsu and Zhejiang provinces, as well as Guangzhou costal areas. Many of these SMEs are high-growth and innovation enterprises. Currently, there are nine national hi-tech zones in Guangdong Province and six national hi-tech zones in Jiangsu provinces, both holding leading places in China.

As known to all, "New Third Board Expansion" is only open for existing national hi-tech zones in China, therefore, except Zhongguancun Science & Technology Zone which has been pilot zone of "New Third Board", the rest 82 zones are all have probabilities to act as pilot zones for "New Third Board" according to certain sequences and batch arrangement. The CSRC has not unveiled the specific number of "New Third Board Expansion" for this year. Considering current status of hi-tech zones in China, the expansion number should be controlled within 10-15. According to the statistics, there are more than 40 hi-tech zones that have been working positively to strive for the qualifications of expansion. It is conceivable that the competition must be very fierce. Zero2IPO Research Center holds the view that this "New Third Board Expansion" involves in the establishment of over-the-counter market across China under uniform administration and supervision. Therefore, it should not only provide financing channel for SMEs in hi-tech zones, but also, more important, drive the development of local socio-economy, radiating neighboring regions. Relevant administrations will choose hi-tech zones for this batch of "New Third Board Expansion" based on the evolutions of comprehensive factors including development history and current status of all hi-tech zones, development prospects, self-positioning of the zone, enterprise qualifications in the zone, and national economic layout, etc.

Under such a situation, Zero2IPO Research Center sorts out 82 hi-tech zones, except for

Zhongguancun, by comparing the above-mentioned factors and combining relevant policies for "New Third Board" issued by existing hi-tech zones, and makes a name list of 15 hi-tech zones that are most competitive for entering "New Third Board Expansion", ten out of which are listed as follows. (In random order)

Besides the above-mentioned 10 hi-tech zones, Zero2IPO Research Center holds that Zhengzhou Hi-tech Industrial Development Zone, Jianan Hi-tech Industrial Development Zone, Dalian Hi-tech Industrial Development Zone, Xiamen Torch Hi-tech Industrial Development, Qingdao Hi-tech Industrial Development Zones are also competitive for their comprehensive strengths and have possibilities to enter the name list, if

more pilot Hi-tech zones are allowed to participated in "New Third Board Expansion". The above-mentioned 15 hi-tech zones, together with Zhongguancun Science & Technology Zone, will cover the majority of economy developed eastern coastal areas and middle & western inland areas, adding fuel to regional economic interaction and enterprise development in all hi-tech zones in future. ■

Table 1 Introduction on State - level Hi - tech Zones (Part)

Name	Background	Remarks
Shanghai Zhangjiang Hi-tech Park	The first 3 quarters' industrial output reached RMB314.87B in 2010. Zhangjiang Hi-tech Area alone achieved RMB57.75B industrial output in 2010 with RMB 130.00B operating income.	Zhangjiang Hi-tech Park, the core part, is the most important production base of ICs in China. Besides this, there are production bases for biomedical, information, semi-conduction lighting and software industries.
Wuhan Donghu High-tech Industry Development Zone	By the end of 2010, there have been more than 13,000 enterprises located in Wuhan Hi-tech New Area. Among these enterprises, 26 are listed companies. The total revenue of the area reached RMB220.00B in 2010.	It is the largest production base of optical fiber and cable in China, and is called as "Wuhan. China Optical Valley".
Shenyang New & High-tech Industry Development Zone	It was established as early as May 1988 and became one of the first-batch national hi-tech industrial zones approved by the State Council, as well as one of the development zones given full supports by the Ministry of Science & Technology.	Advanced manufacturing, new materials, biomedical industry and electronic information industries, involving e-commerce, information household appliances, software development, comic and animation making, computer communication products, digital technology products and electronic components.
Tianjin New Technology Industrial Park	The total income reached RMB 301.70B in 2010 while the key economic index kept a growth rate of 30% above.	Green energy, software and high-end information manufacturing, biotechnology and modern medicine, advanced manufacturing and modern service.

Source: Zero2IPO Research Center

Table 1 Introduction on State - level Hi - tech Zones (Part)

Name	Background	Remarks
Xi'an Hi-tech Industrial Development Zone	Ranking the top three in term of technological innovation competitiveness in China, having transformed nearly 10,000 technological findings, 90% of which are proprietary intellectual property rights.	Electronic information, advanced manufacturing, biomedicine and modern service.
Chengdu Hi-tech Industry Development Zone	Ranking the 4 th place among 56 hi-tech zones under the Ministry of Science & Technology in terms of comprehensive strength in 2009, the 1 st place among hi-tech zones in middle and western regions. It realized industrial output of RMB 53.40B and financial revenue of RMB15.56B in 2010, increased by 25.1% and 35% year on year respectively.	Three backbone industries: electronic information, biomedicine and precision machinery manufacturing; six industrial clusters: electronic information, IC, software and outsourcing service, biomedicine, precision machinery, communication, optoelectronic display.
Shenzhen High-tech Industrial Park	Industrial output was RMB255.07B in 2009, growing by 13.4% against that of the previous years. The industrial output of each square kilometer reached RMB22.10B, holding the 2 nd place among all hi-tech zones by comprehensive evaluation in 2009.	Communication computer, software, medicine, optical-electro-mechanical Integration
Changsha Hi-tech Industry Development Zone	The key industrial economic index has kept a growth rate of 25% above. It achieved total income of RMB150.00B in technological, industrial and trading fields and realized industrial output of RMB134.00B in 2009.	Advanced manufacturing, electronic information, new materials and new energy, biomedicine. It has established strategic partnership with Microsoft, IBM, Motorola, Nokia and Cisco.
Suzhou New and Hi-tech Industrial Development Zone	Its total industrial output exceeded RMB240.00B in 2010, and GDP was over RMB65.00B with the average per capita GDP over US\$30,000.00.	Electronic information, equipment manufacturing and biomedicine.
Hefei Hi-tech Industry Development Zone	It realized industrial output of RMB64.00B in 2010 with hi-tech industrial output value accounting for 80% of the total. The key economic indexes have been kept a growth rate of 30%.	It has formed hi-tech industrial clusters for electronic information, optical-electro-mechanical Integration, biomedicine, new energy, public security, cultural creation and new materials.

Source: Zero2IPO Research Center

The 3rd China Venture Capital & Private Equity Forum @ Europe

2011第三届 中国创业投资暨私募股权投资 欧洲论坛

June 24th, 2011, Zurich, Switzerland

2011年6月24日, 瑞士 苏黎世

主办单位 Organizers: **Zero IPO** 清科集团
ZeroIPO Group

银牌赞助商 Silver Sponsor:



了解中国、欧洲投资现状，把握中国、欧洲投资机会！

Boost your knowledge about China Venture Capital & Private Equity. Seize the investing opportunities in China.

2011年中国创业投资暨私募股权投资论坛欧洲论坛将带您童话与现实并存、艺术与商业共荣的苏黎世开始一场奇幻旅程。一天的论坛将涉及到诸多关于中国及欧洲投资市场的热门话题。我们将邀请来自中国及欧洲30余位行业权威人士与您一起共同探讨与预测行业走向，分析与把握投资机会。

2011 China Venture Capital & Private Equity Forum @ Europe will lead you on a fantasy journey in Zurich. One day forum will cover most of the hot topics on investment market in China. There will be more than 30 industries titans share experience with you. Investment issues and opportunities will be discussed in depth.

Moonbasa Plans to Go Public in the US

Jun. 15, 2011, PEdaily.cn, Siva Liu, Christina Chao
It was reported by Bloomberg via quoting information from an insider that Moonbasa has hired Barclays PLC (BARC), Deutsche Bank AG (DBK) and Bank of America for an initial public offering on NASDAQ. The insider told that Moonbasa planned to go public in the US by the



end of this year with financing size about USD \$150M.

Reporter of PEdaily.cn made a call to Sao Jun, Co-founder of DT Capital Partners, Investor of Moonbasa, for confirmation. The details Sao Jun said

still uncertain whether the IPO could be accomplished by the end of this year.

Relevant Data shows Moonbasa was created in Dec. 2006 and had finished 4 rounds of financing in the past 5 years. The round A financing sized at US \$2M came from China Renaissance Capital Investment Renaissance Capital. The round B financing was launched in Jun. 2010, winning US \$20M joint investment from GSR Venture and Renaissance Capital. Tiger Fund contributed to round C financing in Dec. 2010 with the total capital reaching US \$60M as reported. In Feb. 2011, Moonbasa accomplished its round D financing with the funding from Renaissance Capital and so on. ■

Tencent Collaboration Fund Upsized to RMB10B, for "Building another Tencent"

Jun. 15, 2011, TechWeb

Tencent chairman and CEO Pony Ma announced on the Open Partnership Conference today that Tencent Collaboration Fund would boost its size to RMB10B from current RMB5B. By now, the total investment amount of Tencent Collaboration Fund has hit



was supporting all its partners to "build another Tencent". On the precondition of nonaggression against users' benefits, Tencent would help partners to achieve success first, then itself.

At present, Tencent has about 20,000 cooperative partners on its open platform, and deals out nearly RMB4B to various partners every year. Pony Ma aims to possess over 100,000 partners, which means that Tencent would have to distribute RMB20B that equals to its current annual revenue to its partners. ■

Tianzheng Investment Injects RMB92.89M into Hwagain Group

Jun. 14, 2011, PEdaily.cn, Siva Liu

It was exclusively reported by PEdaily.cn

预览已结束，完整报告链接和二维码如下：

