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电子周刊 MAGAZINE

NO.0481
2011-04

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36 Chinese Enterprises Listed in Mar. 2011

Written By Sophia Luo, Zero2IPO Research Center

According to statistic of Zero2IPO Research Center, 36 Chinese enterprises went public on overseas stock markets in Mar. 2011, raising US$7.27B through IPOs, and the average financing amount of each enterprise was US $202M. The number of listing companies increased by 20.0% month-on-month, and financing amount rose by 94.4% month-on-month. Compared with the same period last year, the number of IPOs decreased by 5.3%, and the amount raised increased by 58.5%.

PE and VC companies offered financial support to 17 of the 36 companies listed in Mar. with financing amount reaching US $3.304B in total or US $194M on average. 52 IPO exit deals occurred in total, involving 45 VC/PE institutions. The average ROI was 7.85 times.

36 enterprises get list at home or abroad; overseas capital markets become increasingly active

From the perspective of market distribution, of the 36 Chinese IPO companies, 30 enterprises were listed at home raising US $ 5.22B in total or US$174M on average; 6 went public in markets outside the Chinese mainland, raising US$2.056B in total or US$343M on average. Affected by international situation, such as the continuous political unrest in the Middle East and rising of nuclear panic in Japan, the global stock markets fluctuated in March, the number of Chinese enterprises listed abroad still rose when compared with that in February. Qihoo 360 drew great attention of investors overseas.

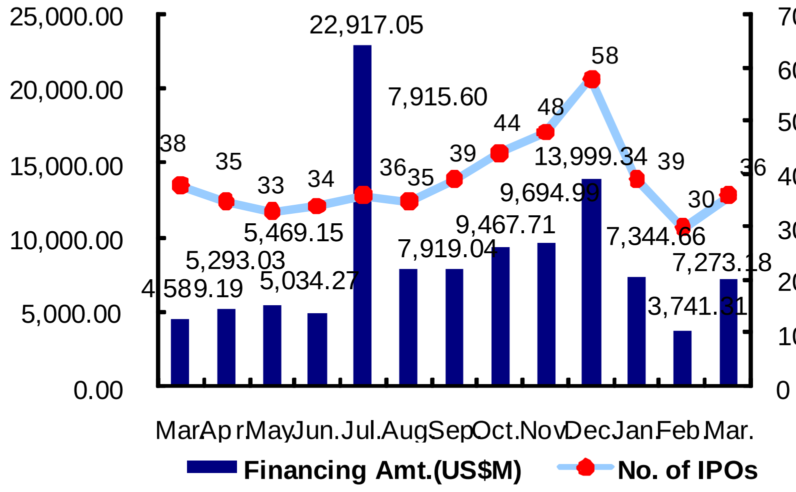
Specifically, SMEB and ChiNext are still the most active capital markets. 14 enterprises launched IPOs on the SMEB, and 13 enterprises launched IPOs on the ChiNext, the amount raised were US $2.64B and US $2.04B respectively; following zero record in February, HKMB recovered with four enterprises listed on the stock market in March, raising amount of US $1.84B in total; Shanghai Stock Exchange has three IPO companies, with financing totaled US $542M. In addition, NYSE and NASDAQ each has one Chinese IPO company.

Table 1 Chinese Enterprises' Domestic and Overseas IPOs in Mar. 2011

Listing Market	No. of IPOs	% of Total	Financing Amt. (US$M)	% of Total	Average Financing Amt. (US$M)
Domestic Market	30	83.3%	5,217.57	71.7%	173.92
Overseas Market	6	16.7%	2,055.61	28.3%	342.6
Total	**36**	**100.0%**	**7,273.18**	**100.0%**	**202.03**

Source: Zero2IPO Research Center

Figure 1 Monthly Comparison of Chinese Enterprises' IPOs in Mar. 2010 - Mar. 2011



Source: Zero2IPO Research Center

Table 2 Chinese Enterprises' Domestic and Overseas IPOs in Mar. 2011 (In Details)

Listing Market	No. of IPOs	% of Total	Financing Amt. (US$M)	% of Total	Average Financing Amt. (US$M)
SMEB	14	38.9%	2,635.45	36.2%	188.25
ChiNext	13	36.1%	2,040.06	28.0%	156.93
HKMB	4	11.1%	1,844.00	25.4%	461
Shanghai Stock Exchange	3	8.3%	542.07	7.5%	180.69
NYSE	1	2.8%	175.61	2.4%	175.61
NASDAQ	1	2.8%	36	0.5%	36
Total	**36**	**100.0%**	**7,273.18**	**100.0%**	**202.03**

Source: Zero2IPO Research Center

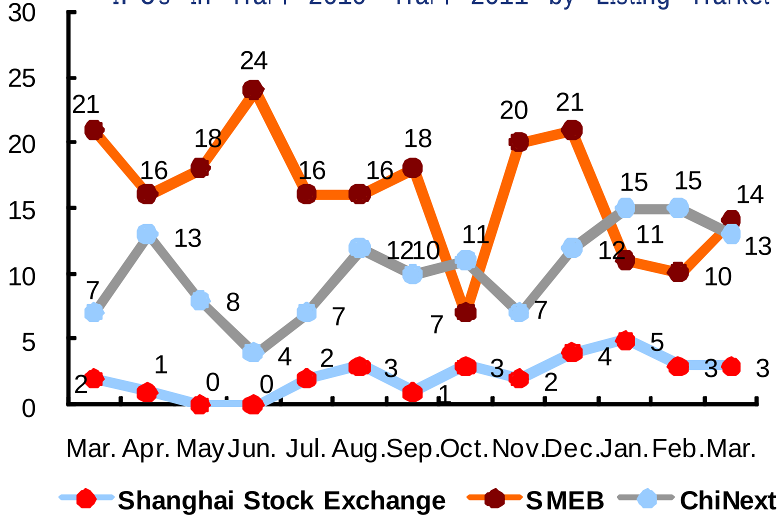
In respect of the industry, energy & mineral and machinery manufacturing shared the first place, each had 5 IPO companies, raising US$1.55B and US$1.07B respectively; bio/healthcare and chain retail took the second place, each had 3 IPO companies, raising US$605M and US$493M respectively. In term of the number of listed companies, energy and mineral and chain retail industries went a bit higher, machinery manufacturing and bio/healthcare maintained the same level; in term of amount raised, the above said four industries saw an increase.

On the whole, the companies seeking for overseas IPOs in Mar. were mainly in traditional industries represented by energy & mineral and machinery manufacturing, and the number of the companies in Hi-tech industries represented by IT and Internet was relatively small. Zero2IPO Research Center thought that it was affected by fluctuation of international situation on overseas stock markets which are preferred by hi-tech enterprises, and have nothing to do with the IPO opportunities.

12 VC/PE companies exit; Qihoo 360's overseas average ROI is higher than domestic investment

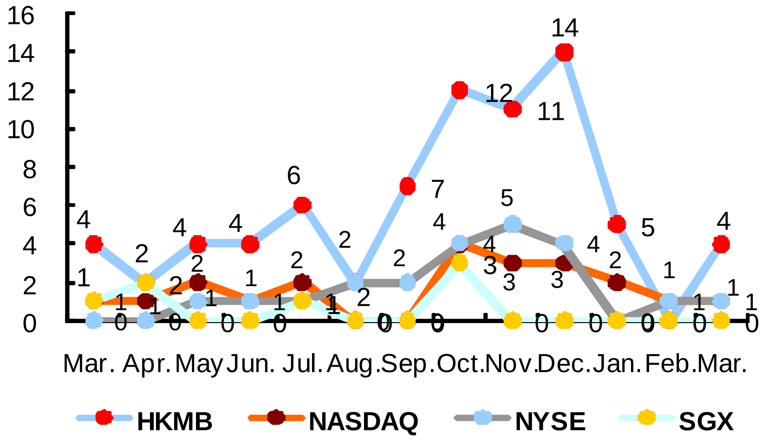
In Mar. 2011, PE and VC companies offered financial support to 17 companies to get list at home and abroad, with financial amount of US$3.30B. 14 enterprises listed at domestic stock markets with financing amount of US$2.30B; and 3 enterprises go public on overseas stock markets with financing amount of US

Figure 2 Comparison of Chinese Enterprises' Domestic IPOs in Mar. 2010 - Mar. 2011 by Listing Market



Source: Zero2IPO Research Center

Figure 3 Comparison of Chinese Enterprises' Overseas IPOs in Mar. 2010 - Mar. 2011 by Listing Market



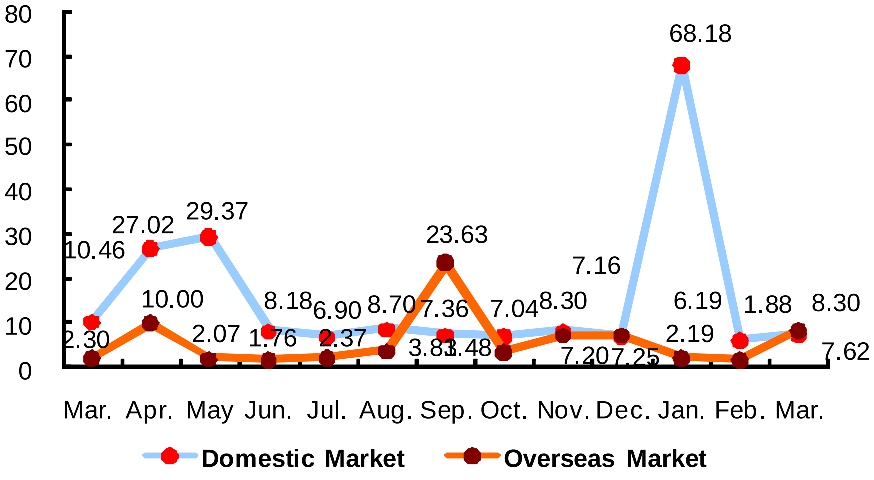
Source: Zero2IPO Research Center

Table 3 Industry Breakdown of Chinese Enterprises' Domestic and Overseas IPOs in Mar. 2011

Industry (Grade 1)	No. of IPOs	% of Total	Financing Amt. (US$M)	% of Total	Average Financing Amt. (US$M)
Energy & Mineral	5	13.9%	1,545.27	21.2%	309.05
Machinery Manufacturing	5	13.9%	1,068.58	14.7%	213.72
Bio/Healthcare	3	8.3%	605.21	8.3%	201.74
Chain Retail	3	8.3%	492.55	6.8%	164.18
Finance	2	5.6%	695.45	9.6%	347.73
Food & Drinks	2	5.6%	383.77	5.3%	191.89
Agr/Forestry/Fishing	2	5.6%	290.11	4.0%	145.06
Clean-tech	2	5.6%	220.22	3.0%	110.11
Chemical Raw Materials & Processing	2	5.6%	170.28	2.3%	85.14
Textile & Clothing	1	2.8%	714.24	9.8%	714.24
Real Estate	1	2.8%	199.81	2.7%	199.81
Internet	1	2.8%	175.61	2.4%	175.61
Construction/Engineering	1	2.8%	159.52	2.2%	159.52
Automobile	1	2.8%	90.61	1.2%	90.61
IT	1	2.8%	82.24	1.1%	82.24
Others	4	11.1%	379.72	5.2%	94.93
Total	**36**	**100.0%**	**7,273.18**	**100.0%**	**202.03**

Source: Zero2IPO Research Center

Figure 4 Tendency of Book ROI of VC/PE-backed IPOs in Mar. 2010-Mar. 2011



Source: Zero2IPO Research Center

$1.002B. Of 11 PE and VC companies supporting domes tic IPOs, eight enterprises were listed on ChiNext, five enterprises on SMEB, and one enterprise on Shanghai Stock Exchange; of three overseas IPO companies, one selected HKMB, and one selected NYSE. According to the statistics of Zero2IPO Research Center, 17 IPO companies supported by PE and VC companies created 52 exit deals, involving in 45 VC/PE institutions. The average ROI was 7.85 times. Of the 14 domestic IPO companies supported by VC/PE institutions, 29 VC/PE institutions earned the profit of 7.62 times; of the 3 overseas IPO companies supported by VC/PE institutions, 16 VC/PE institutions earned the profit of 8.30 times. The overseas IPO ROI was slightly higher than that of domestic IPOs in Mar., because Qihoo 360 received warm welcome by foreign investors on the one hand, and domestic regulatory body has adopted stringent examination policy on the companies planning to go public since early 2011 on the other hand. The P/E ratio of domestic stock market becomes rational gradually.

In Mar. 30, 2010, Qihoo 360 debuted on the NYSE, offering 12,110,800 American Depositary Shares ("ADSs") at US $14.50 per ADS, raising US $175,606,000 in total. The opening price at the first day of IPO reached US $27.00, rose to US $34.40 and finally ended the session at US $34.00, soaring 134.5%. Qihoo 360 was well welcomed this time, which is a great inspiration to

Chinese Internet companies who are likely to see another upsurge of IPO.

According to the prospectus of Qihoo 360, from Jan. 2006 to Apr. 2010, Qihoo 360 received the investments from 12 VC/PE institutions, such as Sequoia Capital, CDH VC and Highland Capital, with the total investment amount of about US$65M. Before the IPO of Qihoo 360, these 12 VC/PE institutions held 52.6% equity of Qihoo 360. Based on issue price of US$14.50, of the 12 VC/PE institutions, the ROI of nine institutions can reach more than 10 times, another three institutions can receive nearly three times of ROI. ■

Table 4 VC/PE-backed Chinese Enterprises' Top 10 IPOs in Mar. 2011

Company Name	Listing Date	Listing Market	Industry	Financing Amt. (US$M)	Investor	ROI
Far East Horizon Ltd.	2011-3-30	HKMB	Finance	659.45	KKR(PE)	2.76
					GIC (PE)	2.76
					CICC (PE)	2.76
Tongyu Heavy Industry	2011-3-8	HKGEM	Machinery Manufacturing	342.65	Shandong High & New Technology Investing Co., Ltd. (VC)	12.5
Baotailong	2011-3-9	Shanghai Stock Exchange	Energy & Mineral	265.9	Rongsheng (VC)	5.4
Jasic Technology	2011-3-22	ChiNext	Machinery Manufacturing	223.98	Fuxing (VC)	6.33
					Merchants Technology (VC)	7.05
Zhanghuaji	2011-3-10	SMEB	Machinery Manufacturing	215.64	Guosen Hongsheng Investment (PE)	3.77
					Jinmao (VC)	6.82
					Jinmao Capital (VC)	5.36
					Suzhou Guorun (VC)	5.36
Qihoo 360	2011-3-30	NYSE	Internet	175.61	Highland Capital (VC)	10.98
					Sequoia (VC)	14.44
					CDH (VC)	14.5
					Zhixin Capital (PE)	2.84
					Redpoint Ventures (VC)	10.98
					Zero2IPO Capital (VC)	2.84
					IDG Capital (VC)	11.22
					Ceyuan Ventures (VC)	2.84
					Matrix Partners (VC)	13.1
					Jinhui Investment (VC)	14.5
					GMO(VC)	14.5
					Weston (VC)	13.1
China Kingstone	2011-3-18	HKMB	Energy & Mineral	167.31	Morgan Stanley (PE)	2.04
Shenzhen Techand Ecology & Environment Co., Ltd.	2011-3-29	ChiNext	Construction/Engineering	159.52	Shenzhen Capital Group (VC)	6.88
					Leaguer Venture Capital (VC)	8.19
					China Venture Capital (VC)	8.19
Shanghai Luxin	2011-3-18	SMEB	Others	159.17	Guojia (VC)	4.11
					Yiwen (VC)	4.11
					Legend Capital (VC)	7.09
Shennong Dafeng	2011-3-16	ChiNext	Agr/Forestry/Fishing	146.2	Hongling Fund (VC)	3.56
					Fortune (VC)	15.03
					Liansheng (VC)	3.56

Source: Zero2IPO Research Center

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Jiuxian.com Raises US$20M in Round A Financing

Apr. 14, 2011, Beijing News, Li Lei

On Apr. 13, Jiuxian.com, a liquor & wine retail website, announced that the company has accomplished its first round financing with US$20M raised and planned to achieve the sales goal of RMB10B in three years ahead to get listed in 2014.

Hao Hongfeng, Chairman of the website, expressed the company is expected to launch at least three rounds of financing to raise about RMB1B. According to Hao, the funding from the round A financing was jointly injected by two famous VCs worldwide, and each of them assigned a representative acting as director in the company. At present, the board of

directors of the company is composed of 7 persons. After the financing, Hao Hongfeng remains as controlling shareholder.

The website, established in Sept. 2010, garnered its first-phase investment of RMB100M mainly coming from private capital in Shanxi Province. The company aims at realizing the sales target of RMB500M in this year and RMB10B within 3 years, and then getting listed in United States or Hong Kong. ■

Oriental Fortune Capital Closed Its Third Fund at RMB 2.5 Billion

Apr. 13, 2011, PEdaily.cn, Siva Liu

Mr. Cheng Houbo, President of Oriental Fortune Capital, disclosed on April 13, that the third RMB Fund had been closed at a size of RMB 2.5 billion, far beyond the planned target of RMB 1-1.5 billion.

It is learned that the third fund will maintain its focus on energy technology, financial services, consumer products, healthcare, life-science and information technology, etc., but enhance the

size of the third fund exceeded RMB 3 million at first, however, fixed on RMB 2.5 billion finally subject to the planned investment strategy. It is reported that the new fund is pressing on with recruitments to expand investment team, and has accomplished investments in several enterprises.

Since its inception in 2006, Oriental Fortune has launched two RMB funds successively: the fund I raised RMB 900 million; the second one raised RMB 758 million. In May 2010, Oriental Fortune began to raise its first US dollar fund, totaling US$ 100 million. ■

COFCO Initiated RMB 6 Billion Agricultural Industry Fund

Apr. 13, 2011, 21st Century Business Herald

COFCO Agricultural Industry Fund Management Co., Ltd. (hereinafter referred to "the Fund Management Co.") was established in early March.

The company will be responsible for the management of COFCO's agricultural industry fund. The initial size of the fund