投资界
PEdaily.cn
电子周刊
MAGAZINE
NO.0472
2011-02

2010 Hit a Record High of 476 Chinese Enterprises Listed >>P2

Hot News

TPG's Ma Joins Exodus of Chinese Talent from Western Buy-out Firms >>P9

2010 Hit a Record High of 476 Chinese Enterprises Listed

Released By Zero2IPO Research Center

In accordance with the statistics recently released by Zero2IPO Research Center, a famous VC/PE research institution in Greater China, in the wake of the steady recovery of economies worldwide, Chinese economy sustained its mild yet persistent growth momentum. In this connection, overseas and domestic investors reached consensus on the bright prospect of the market and Chinese enterprises staged another IPO boom in 2010, shattering the record in 2007 in terms of both the number of IPOs and financing amount.

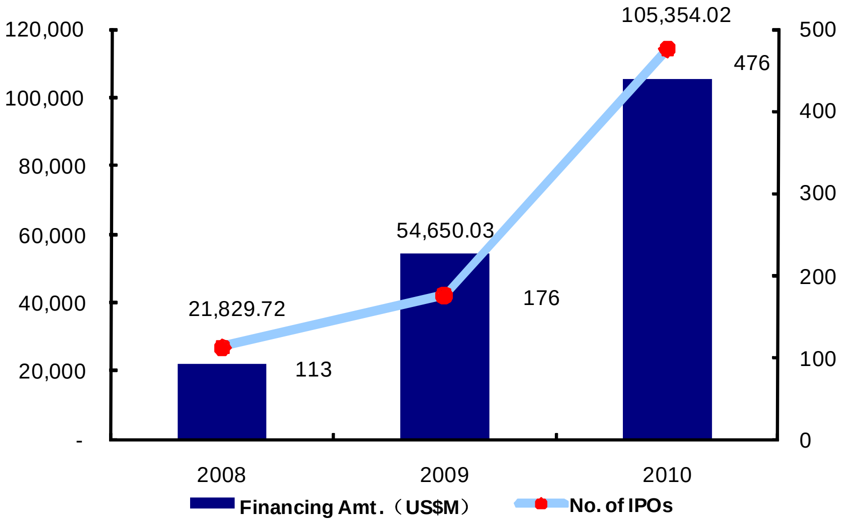
In the 13 overseas markets and 3 domestic markets focused by Zero2IPO Research Center, there were 476 Chinese enterprises going public, including 4 transferring from OTCBB to NASDAQ. In this context, a combined US$105.35B raised, every single enterprise completed a US $221.00M financing on average. Compared with those in the same period of 2009, the number of IPOs in 2010 increased by 1.7 times, while the financing amount accordingly surged by 92.8%. Among them, 129 enterprises got listed on 13 overseas markets, raising a total of US $33.30B, and the other 347 ones went public on domestic markets with US $72.06B raised. Among the 476 listed Chinese enterprises in 2010, 221 were supported by VC/PE institutions with a total of US $39.51B raised, accounting for 46.4% and 37.5% of the total number and financing amount of IPOs. In addition, there were 72 enterprises listed on overseas markets garnering a combined US $12.86B, and 149 ones on domestic markets securing US$26.65B in total.

Table 1 Comparison of Overseas and Domestic IPOs of Chinese Enterprises in 2010

Listing Market	Financing Amt. (US$M)	% of Total	No. of IPOs	% of Total	Average Financing Amt. (US$M)
Overseas Market	33,294.75	31.6%	129	26.8%	258.10
Domestic Market	72,059.27	68.4%	347	73.2%	207.66
Total	**105,354.02**	**100.0%**	**476**	**100.0%**	**221.33**

Source: Zero2IPO Research Center

Figure 1 Year-on-year Comparison of IPOs of Chinese Enterprises between 2008-2010

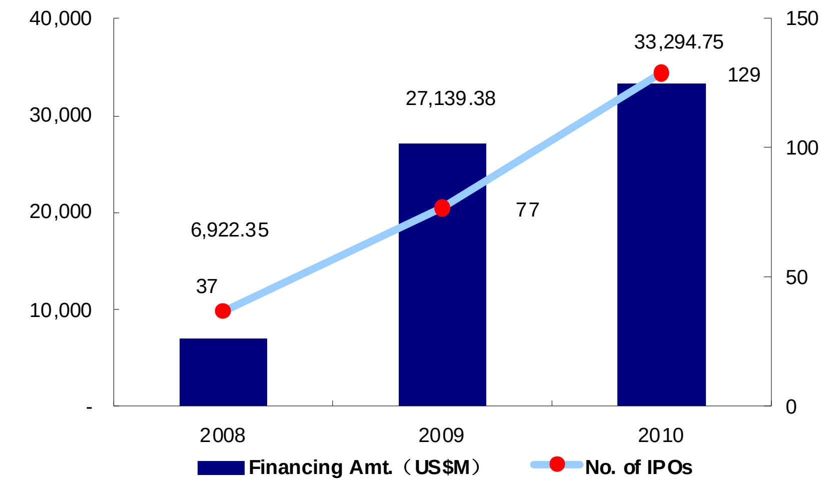


Source: Zero2IPO Research Center

Overseas IPOs and Financing Amount Continuously Soar; Financing Concentrates in A Few Markets

Chinese enterprises speeded up their overseas listings in 2010. Despite the impact brought by the European debt crisis in the first half of 2010, overseas capital markets embraced unchangeable upward trends and the new shares were progressively issued with the implementation of proper measures in Europe and issuance of new data from US market. Against this backdrop, Chinese enterprises have been actively seeking for overseas listings. There have been 129 Chinese enterprises going public in 6

Figure 2 Year-on-year Comparison of Overseas IPOs of Chinese Enterprises between 2008-2010



Source: Zero2IPO Research Center

overseas markets with a collective amount of US $33.30B raised. Compared with the same period of 2009, the number of IPOs soared by 52, and the financing amount increased by 22.7%. Moreover, Q4'10 saw an upsurge in the overseas listings of Chinese enterprises in the US market. Merely in the week, namely from December 6 to December 11, there were 5 Chinese enterprises completing their IPOs on the US market.

The overseas listings of Chinese enterprises were densely distributed in 2010. In other words, 129 Chinese enterprises landed on 6 overseas markets respectively, such as HKMB, NASDAQ, NYSE, etc. Compared with 2009, no Chinese enterprise chose to get listed on KSM, CATALIST and HKGEM. To be specific, HKMB remained as the primary choice for Chinese enterprises going public in overseas markets, reported 71 listings and a total of US $28.83B financing amount, i.e. 55.0% and 86.6% of the total over-

Table 2 Comparison of Overseas IPOs of Chinese Enterprises in 2010 by Listing Market

Listing Market	Financing Amt. (US$M)	% of Total	No. of IPOs	% of Total	Average Financing Amt. (US$M)
HKMB	28,829.08	86.6%	71	55.0%	406.04
NYSE	2,628.16	7.9%	22	17.1%	119.46
NASDAQ	1,257.72	3.8%	23	17.8%	54.68
SGX	279.68	0.8%	8	6.2%	34.96
KOSDAQ	178.77	0.5%	4	3.1%	44.69
FWB	121.33	0.4%	1	0.8%	121.33
Total	**33,294.75**	**100.0%**	**129**	**100.0%**	**258.10**

Source: Zero2IPO Research Center

Table 3 Year-on-year Comparison of Overseas IPOs of Chinese Enterprises between 2009-2010 by Listing Market

Listing Market	2010			2009		
	Financing Amt. (US$M)	No. of IPOs	Average Financing Amt. (US$M)	Financing Amt. (US$M)	No. of IPOs	Average Financing Amt. (US$M)
HKMB	28,829.08	71	406.04	24,835.21	52	477.60
NYSE	2,628.16	22	119.46	458.76	5	91.75
NASDAQ	1,257.72	23	54.68	1,479.43	8	184.93
SGX	279.68	8	34.96	147.15	5	29.43
KOSDAQ	178.77	4	44.69	95.99	3	32.00
FWB	121.33	1	121.33	72.56	1	72.56
KSM	0.00	0	0.00	41.07	1	41.07
CATALIST	0.00	0	0.00	4.96	1	4.96
HKGEM	0.00	0	0.00	4.26	1	4.26
Total	**33,294.75**	**129**	**258.10**	**27,139.38**	**77**	**352.46**

Source: Zero2IPO Research Center

seas IPOs of Chinese enterprises in 2010. Moreover, all of the top 10 overseas IPOs in 2010 took place in HKMB. In addition, NYSE and NASDAQ also attracted 22 and 23 Chinese enterprises to go public, representing 17.1% and 17.8% of the total respectively, and registered a total financing amount up to US $2.63B and US$1.26B, constituting 7.9% and 3.8% respectively. SGX reported 8 Chinese enterprises' listings in 2010, with US$280.00M raised. KOSDAQ and FWB reported a few listings and lower financing amount, but still surged up year-on-year.

As for industry breakdown, finance industry topped others for the listing of Agricultural Bank of China on HKMB in Q3'10, reported a combined financing amount of US$12.05B with 3 listings, accounting for 36.2% and 2.4% of the total financing amount and number of IPOs in 2010. Machinery manufacturing, clean-tech, energy & mineral, bio/healthcare industries ranked between the second and fifth, with 7, 11, 11, 12 overseas IPOs securing US $4.11B, US

Table 4 Industry Breakdown of Overseas IPOs of Chinese Enterprises in 2010

Industry (Grade 1)	Financing Amt. (US$M)	% of Total	No. of IPOs	% of Total	Average Financing Amt. (US$M)
Finance	12,054.26	36.2%	3	2.4%	4,018.09
Machinery Manufacturing	4,104.59	12.3%	7	5.6%	586.37
Clean-tech	2,569.66	7.7%	11	8.8%	233.61
Energy & Mineral	2,039.00	6.1%	11	8.8%	185.36
Bio/Healthcare	1,798.36	5.4%	12	9.6%	149.86
Chain Retail	1,379.40	4.1%	7	5.6%	197.06
Food & Drinks	1,359.56	4.1%	7	5.6%	194.22
Automobiles	992.87	3.0%	4	3.2%	248.22
Electronic & Opto-electronics Equipment	947.39	2.8%	10	7.2%	94.74
Internet	940.13	2.8%	6	4.8%	156.69
Real Estate	745.15	2.2%	6	4.8%	124.19
Construction/Engineering	551.24	1.7%	3	2.4%	183.75
IT	468.02	1.4%	4	3.2%	117.00
Education & Training	421.29	1.3%	4	3.2%	105.32
Logistics	400.90	1.2%	1	0.8%	400.90
Chemical Raw Materials & Processing	390.39	1.2%	7	4.8%	55.77
Textile & Clothing	297.92	0.9%	5	4.0%	59.58
Entertainment & Media	245.28	0.7%	3	2.4%	81.76
Telecom & Value-added Services	236.79	0.7%	5	4.0%	47.36
Agr/Forestry/Fishing	115.28	0.3%	2	1.6%	57.64
IC	67.50	0.2%	1	0.8%	67.50
Others	1,169.77	3.5%	10	6.4%	116.98
Total	**33,294.75**	**100.0%**	**129**	**100.0%**	**258.10**

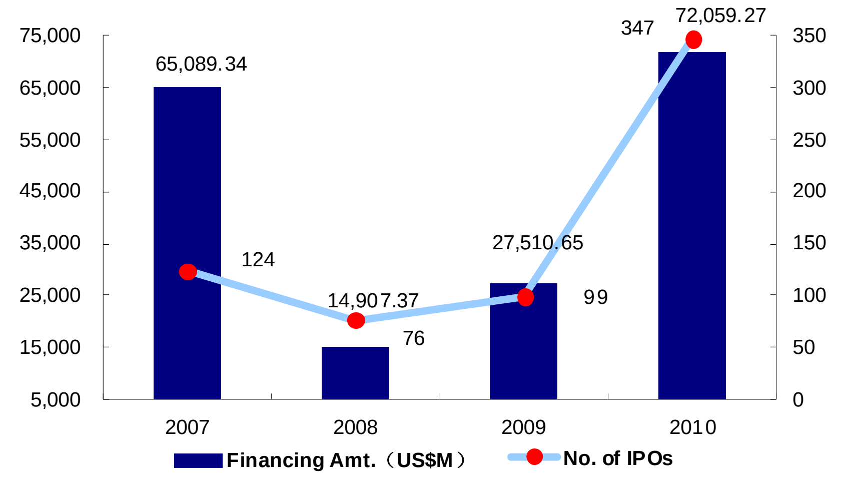
Source: Zero2IPO Research Center

Table 5 Top 10 Overseas IPOs of Chinese Enterprises in 2010

Enterprise Name	Listing Market	Industry (Grade 1)	Financing Amt. (US$M)
Agricultural Bank of China	HKMB	Finance	10,479.08
RSHI	HKMB	Machinery Manufacturing	1,806.45
Zoomlion Heavy Industry Science & Technology Development	HKMB	Machinery Manufacturing	1,673.86
Chongqing Rural Commercial Bank	HKMB	Finance	1,474.38
Goldwind Science & Technology	HKMB	Clean-tech	917.08
Sihuan Pharmaceutical	HKMB	Bio/Healthcare	741.94
Datang Corporation Renewable Power	HKMB	Clean-tech	641.50
Springland International Holdings	HKMB	Chain Retail	478.23
Winsway Coking Coal Holding Limited	HKMB	Energy & Mineral	472.65
Zheng Tong Auto Services	HKMB	Automobiles	469.02

Source: Zero2IPO Research Center

Figure 3 Year-on-year Comparison of Domestic IPOs of Chinese Enterprises between 2008-2010



Source: Zero2IPO Research Center

Table 6 Comparison of Domestic IPOs of Chinese Enterprises in 2010 by Listing Market

Listing Market	Financing Amt. (US$M)	% of Total	No. of IPOs	% of Total	Average Financing Amt. (US$M)
SMEB	30,982.42	43.0%	204	58.8%	151.87
Shanghai Stock Exchange	26,765.49	37.1%	26	7.5%	1,029.44
ChiNext	14,311.36	19.9%	117	33.7%	122.32
Total	**72,059.27**	**100.0%**	**347**	**100.0%**	**207.66**

Source: Zero2IPO Research Center

$2.57B, US $2.04B and US $1.80B respectively. Both chain retail and food & drinks industries garnered above US $1.00B, i.e. US $1.38B and US $1.36B respectively. IC industry merely got a thin financing amount, less than US$100.00M.

Domestic IPOs Surge up; ChiNext and SMEB Witness Financing Upsurge

The year of 2010 witnessed Chinese economy being on the rise, IPO boom stirred by the launch of ChiNext continuing, domestic IPOs hitting a new high. There were a total of 347 enterprises completing IPOs in 3 domestic markets, with a collective financing amount of US $72.06B or an average one of US $208.00M. The number of IPOs soared by 2.51 times and the financing amount surged by 1.62 times compared with the same period of 2009.

In 2010, the domestic listings of Chinese enterprises concentrated on ChiNext and SMEB, namely 204 and 117 deals. However, the financing amount of the two markets was relatively small, i.e. US $152.00M and US$122.00M on average. The 26 IPOs on Shanghai Stock Exchange reported a combined financing amount of US$26.77B, or US$1.03B on average.

In terms of industry breakdown, finance industry ranked first with the IPOs of the Agricultural Bank of China and China Everbright Bank, garnering a total of US $14.88B from 5 IPOs, 20.6% and 1.4% of the total financing amount and number of domestic IPOs in 2010. Machinery manufacturing industry saw most listings

Table 7 Industry Breakdown of Domestic IPOs of Chinese Enterprises in 2010

Industry (Grade 1)	Financing Amt. (US$M)	% of Total	No. of IPOs	% of Total	Average Financing Amt. (US$M)
Finance	14,879.63	20.6%	5	1.4%	2,975.93
Machinery Manufacturing	13,274.62	18.4%	79	22.8%	168.03
Electronic & Opto-electronics Equipment	5,901.83	8.2%	34	9.8%	173.58
Bio/Healthcare	5,313.15	7.4%	26	7.5%	204.35
Chemical Raw Materials & Processing	5,229.93	7.3%	33	9.5%	158.48
IT	2,653.04	3.7%	26	7.5%	102.04
Clean-tech	2,609.36	3.6%	15	4.3%	173.96
Construction/Engineering	2,462.56	3.4%	17	4.9%	144.86
Logistics	2,281.96	3.2%	4	1.2%	570.49
Textile & Clothing	2,225.99	3.1%	11	3.2%	202.36
Telecom & Value-added Services	1,922.66	2.7%	11	3.2%	174.79
Chain Retail	1,796.65	2.5%	6	1.7%	299.44
Automobiles	1,595.74	2.2%	11	3.2%	145.07
Energy & Mineral	1,466.79	2.0%	5	1.4%	293.36
Entertainment & Media	1,157.11	1.6%	5	1.4%	231.42
Agr/Forestry/Fishing	1,085.92	1.5%	8	2.3%	135.74
Food & Drinks	945.67	1.3%	10	2.9%	94.57
IC	704.41	1.0%	4	1.2%	176.10
Internet	522.94	0.7%	4	1.2%	130.73
Broadcasting & Digital TV	344.78	0.5%	2	0.6%	172.39
Others	3,684.55	5.1%	31	8.9%	118.86
Total	**72,059.27**	**100.0%**	**347**	**100.0%**	**207.66**

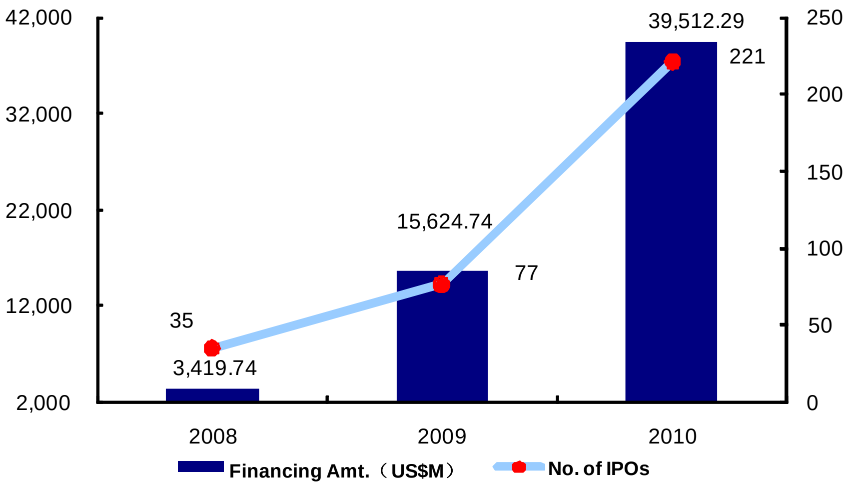
Source: Zero2IPO Research Center

with 79 domestic IPOs, accounting for 22.8% of the total domestic IPOs in 2010, and raised a combined US$13.28B or 18.4% of the total domestic IPOs of Chinese enterprises. Electronic & opto-electronics equipment, bio/healthcare, chemical raw materials & processing industries snatched the third, fourth and fifth places with US $5.90B, US $5.31B and US $5.23B raised respectively.

VC/PE-backed Enterprises Stage Another IPO Boom; ChiNext Emerges as Major VC/PE Exit Channel

On the coattails of the restoration of confidence of investors and the uplift in the expectation on market prospect, VC/PE-backed Chinese enterprises saw more listings and garnered more financing amount. In 2010, 221 VC/PE-backed Chinese enterprises went public to gain a combined US$39.51B, a sharp upsurge from those in 2009, namely increased by 144 in the number of VC/PE-backed IPOs and 1.53 times in terms of financing amount.

Figure 4 Year-on-year Comparison of VC/PE-backed IPOs of Chinese Enterprises between 2008-2010



Source: Zero2IPO Research Center

VC/PE-backed Chinese enterprises dominated the domestic markets. Domestic markets saw 149 VC/PE-backed enterprises completing IPOs, 77 listings more than those on overseas market, thanks to the high P/E ratio and market capitalization. Against this backdrop, VC/PE investors were enabled to gain higher return on investment. Among those enterprises, every single one was backed by 2 VC/PE institutions on average. In addition, increasingly developed ChiNext has been evolving into the most important exit channel for VC/PE institutions.

Table 8 Top 10 Domestic IPOs of Chinese Enterprises in 2010

Enterprise Name	Listing Market	Industry	Financing Amt. (US$M)
Agricultural Bank of China	Shanghai Stock Exchange	Finance	8,894.12
China Everbright Bank	Shanghai Stock Exchange	Finance	2,822.39
Huatai Securities	Shanghai Stock Exchange	Finance	2,297.40
CFHI	Shanghai Stock Exchange	Machinery Manufacturing	1,669.11
China XD Group	Shanghai Stock Exchange	Machinery Manufacturing	1,511.76
Infinova	SMEB	Electronic & Opto-electronics Equipment	1,193.81
Ningbo Port	Shanghai Stock Exchange	Logistics	1,104.48
China National Chemical Engineering	Shanghai Stock Exchange	Chemical Raw Materials & Processing	980.26
Hepalink	SMEB	Bio/Healthcare	874.05
PDA Corporation	Shanghai Stock Exchange	Logistics	860.42

Source: Zero2IPO Research Center