

# Zephyr M&A Report

## Greater China, H2 2010

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The following report details mergers and acquisitions activity in Greater China in H2 2010 using data from the Zephyr database.

It focuses on deal activity by target company.

Greater China is defined as China, Hong Kong, Macau and Taiwan.

Click [here](#) to access the raw data in an Excel spreadsheet.

### Deals by volume and value

The value of deals targeting companies based in Greater China declined by more than a fifth during the last six months of 2010 to USD 129,278 million from USD 163,784 million in H1 2010. This was the lowest half-yearly value result since H2 2008, while volume fell to 1,967 transactions, the lowest amount since H1 2006.

The largest deal by value in H2 2010 was a USD 9,259 million rights issue by Bank of China, which was carried out to boost the lender’s balance sheet. The largest acquisition was worth USD 3,877 million and was also a mainland financial services deal: it targeted a majority stake in Shenzhen Ping An Bank.

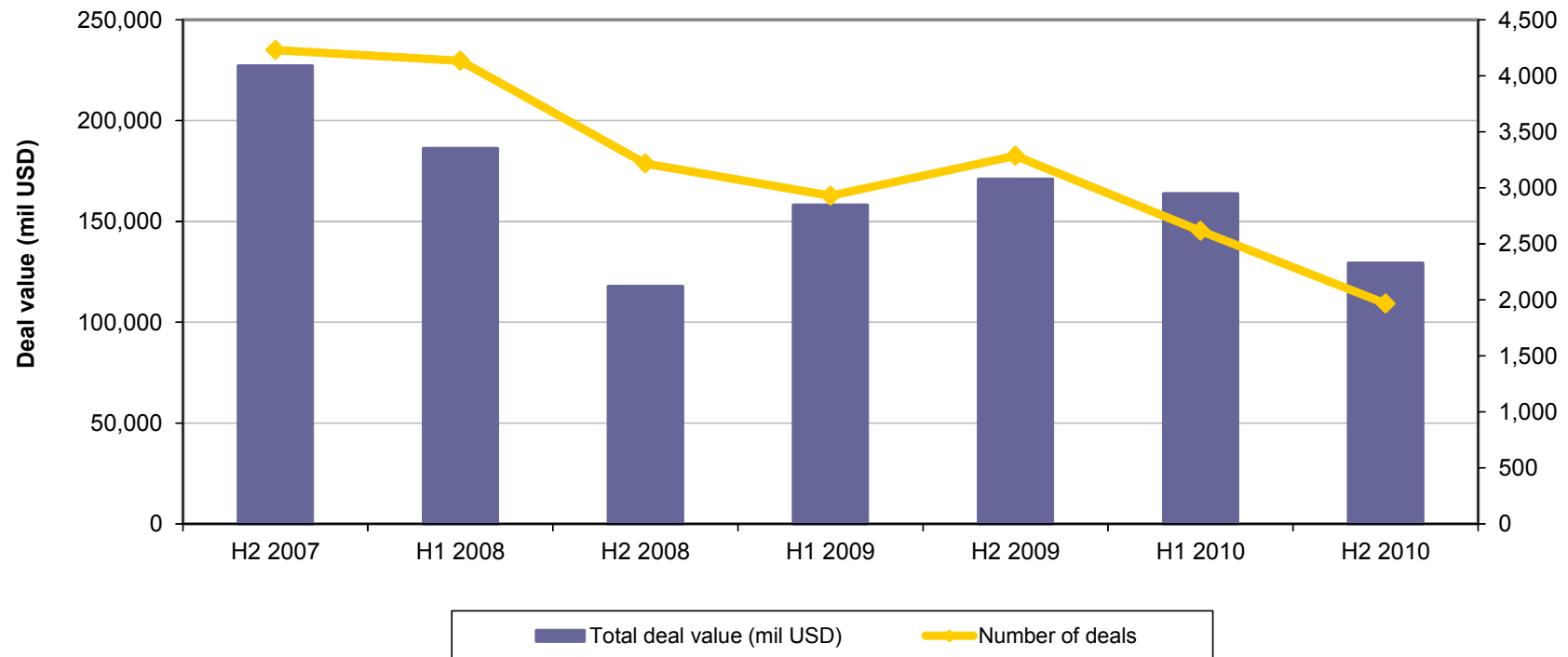
Announced date	No of deals	Total deal value (mil USD)
H2 2010	1,967	129,278
H1 2010	2,616	163,784
H2 2009	3,286	170,934
H1 2009	2,930	158,170
H2 2008	3,216	117,712
H1 2008	4,134	186,178
H2 2007	4,229	227,071

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### Deals by volume and value



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### Top 20 deals by value

	Deal value (mil USD)	Deal type	Target	Target location	Acquiror	Acquiror location	Announced date
1	9,259	Minority stake 10%	Bank of China Ltd	CN			02/07/10
2	6,775	Minority stake 4%	Industrial and Commercial Bank of China Ltd	CN			11/11/10
3	6,620	Minority stake 3%	China Mobile Ltd	HK	Institutional Investors		07/09/10
4	3,877	Acquisition 91%	Shenzhen Ping An Bank Ltd	CN	Shenzhen Development Bank Co., Ltd	CN	02/09/10
5	3,839	Minority stake 18%	China CITIC Bank Co., Ltd	CN			11/08/10
6	2,973	Minority stake 19%	China Communications Construction Co., Ltd	CN	Investors	CN	30/12/10
7	2,858	Acquisition 60%	PetroChina Beijing Gas Pipeline Co., Ltd	CN	Kunlun Energy Co., Ltd	BM	31/12/10
8	2,679	Minority stake 3%	Bank of China Ltd	CN			15/11/10
9	2,256	Minority stake 1%	Industrial and Commercial Bank of China Ltd	CN	Institutional Investors		28/09/10
10	2,212	Acquisition 100%	Shanghai Bailian Group Co., Ltd	CN	Shanghai Friendship Group Incorporated Co., Ltd	CN	04/11/10

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### Top 20 deals by value

	Deal value (mil USD)	Deal type	Target	Target location	Acquiror	Acquiror location	Announced date
11	2,119	Minority stake 15%	Changsha Zoomlion Heavy Industry Science and Technology Development Co., Ltd	CN	Investors		07/07/10
12	2,037	Minority stake 18%	Agricultural Bank of China Ltd	CN	JP Morgan	US	16/07/10
13	1,839	Minority stake	China Unicom (Hong Kong) Ltd	HK			28/09/10
14	1,675	Minority stake 15%	Changsha Zoomlion Heavy Industry Science and Technology Development Co., Ltd	CN			13/12/10
15	1,500	Minority stake 34%	China International Capital Corporation Ltd	CN	Kohlberg Kravis Roberts & Company LP; The Government of Singapore Investment Corporation Pte Ltd; The Great Eastern Life Assurance Co., Ltd; TPG Capital LP	US; SG;SG;US	08/12/10
16	1,444	Minority stake 35%	Gansu Jiu Steel Group Hongxing Iron & Steel Co., Ltd	CN	Investors		24/12/10
17	1,431	Minority stake 19%	GD Power Development Co., Ltd	CN	China Guodian Group Corporation; Harbin Power Equipment Co., Ltd; Investors	CN; CN	19/07/10
18	1,393	Acquisition increased from 73% to 100%	Industrial and Commercial Bank of China (Asia) Ltd	HK	Industrial and Commercial Bank of China Ltd	CN	08/10/10
19	1,219	Minority stake	Shanghai Rural Commercial Bank Co., Ltd	CN	Australia and New Zealand Banking Group (New Zealand) Ltd; Investors; Shareholders	AU	27/10/10
20	1,154	Acquisition	Shandong Liuhe Group Co., Ltd	CN	Sichuan New Hope Agribusiness Co., Ltd	CN	13/09/10

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### Deal types by volume and value

#### Top deal types by volume

Deal type	H2 2008	H1 2009	H2 2009	H1 2010	H2 2010
Acquisition	1,020	989	1,239	1,091	1,023
Minority stake	2,202	1,947	2,050	1,520	952
IBO	4	0	3	4	5
MBO	1	0	0	1	2
MBI	0	0	0	0	1

#### Top deal types by value

Deal type	H2 2008 (mil USD)	H1 2009 (mil USD)	H2 2009 (mil USD)	H1 2010 (mil USD)	H2 2010 (mil USD)
Minority stake	51,040	121,844	92,861	103,641	87,578
Acquisition	67,351	36,539	81,129	60,398	46,064
IBO	210	0	203	2	133
MBI	0	0	0	0	15
MBO	1	0	0	0	3

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### Target sectors by volume and value

#### Top ten sectors by volume

Target sector	H2 2008	H1 2009	H2 2009	H1 2010	H2 2010
Machinery, equipment	805	844	831	778	407
Other services	396	281	371	279	338
Chemicals, rubber, plastics	428	388	484	332	279
Construction	301	263	348	251	179
Wholesale & retail trade	167	130	163	176	178
Banks	305	271	300	196	132
Metals & metal products	346	248	185	214	123
Primary sector	86	71	68	64	69
Transport	109	93	106	65	65
Food, beverages, tobacco	61	70	90	53	64

#### Top ten sectors by value

Target sector	H2 2008 (mil USD)	H1 2009 (mil USD)	H2 2009 (mil USD)	H1 2010 (mil USD)	H2 2010 (mil USD)
Banks	38,427	70,470	25,335	51,354	43,281
Other services	10,401	11,034	27,148	9,397	18,589
Machinery, equipment	19,529	25,254	39,098	33,026	15,154
Construction	10,728	9,714	19,508	14,682	12,531
Wholesale & retail	3,796	2,014	19,871	8,977	8,736
Chemicals, rubber, plastics	7,961	8,154	13,918	11,359	7,446
Metals & metal products	10,974	13,025	13,116	15,129	7,092
Transport	3,443	3,680	11,960	7,971	6,856
Gas, water, electricity	3,680	5,885	19,569	5,465	3,927
Primary sector	4,686	946	2,113	4,028	3,667

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### Target locations by volume and value

#### Top location by volume

Target location	H2 2008	H1 2009	H2 2009	H1 2010	H2 2010
China	1,942	1,986	2,413	1,835	1,668
Hong Kong	269	222	268	215	162
Taiwan	1,006	714	603	561	135
Macau	2	10	3	6	3

#### Top location by value

Target location	H2 2008 (mil USD)	H1 2009 (mil USD)	H2 2009 (mil USD)	H1 2010 (mil USD)	H2 2010 (mil USD)
China	83,227	121,596	118,714	128,929	107,379
Hong Kong	9,513	7,933	17,414	13,368	17,830
Taiwan	24,979	28,547	34,759	21,301	4,002
Macau	1	301	46	188	68

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### Private equity deals by volume and value

The value of private equity investment in Greater China-based companies weakened in the latter half of 2010, with a 29 per cent decline from H1 2010 despite a 6 per cent increase in volume over the same timeframe. A total of USD 1,715 million was recorded for the six months to December 2010, which was the lowest half-yearly value result since H1 2005.

The largest Greater China private equity deal by value in H2 2010 was worth USD 155 million. It targeted Chengdu Small & Medium Enterprise Credit Guarantee and was backed by a consortium of seven investors including Standard Chartered Private Equity and Bohai Industrial Investment Fund Management.

All of the top 20 deals targeted companies based in mainland China and the region accounted for 100 per cent of Greater China’s H2 2010 total private equity value of USD 1,715 million. In total there was just one private equity deal with a Hong Kong-based target and one with a target in Taiwan. Both these deals had unknown values.

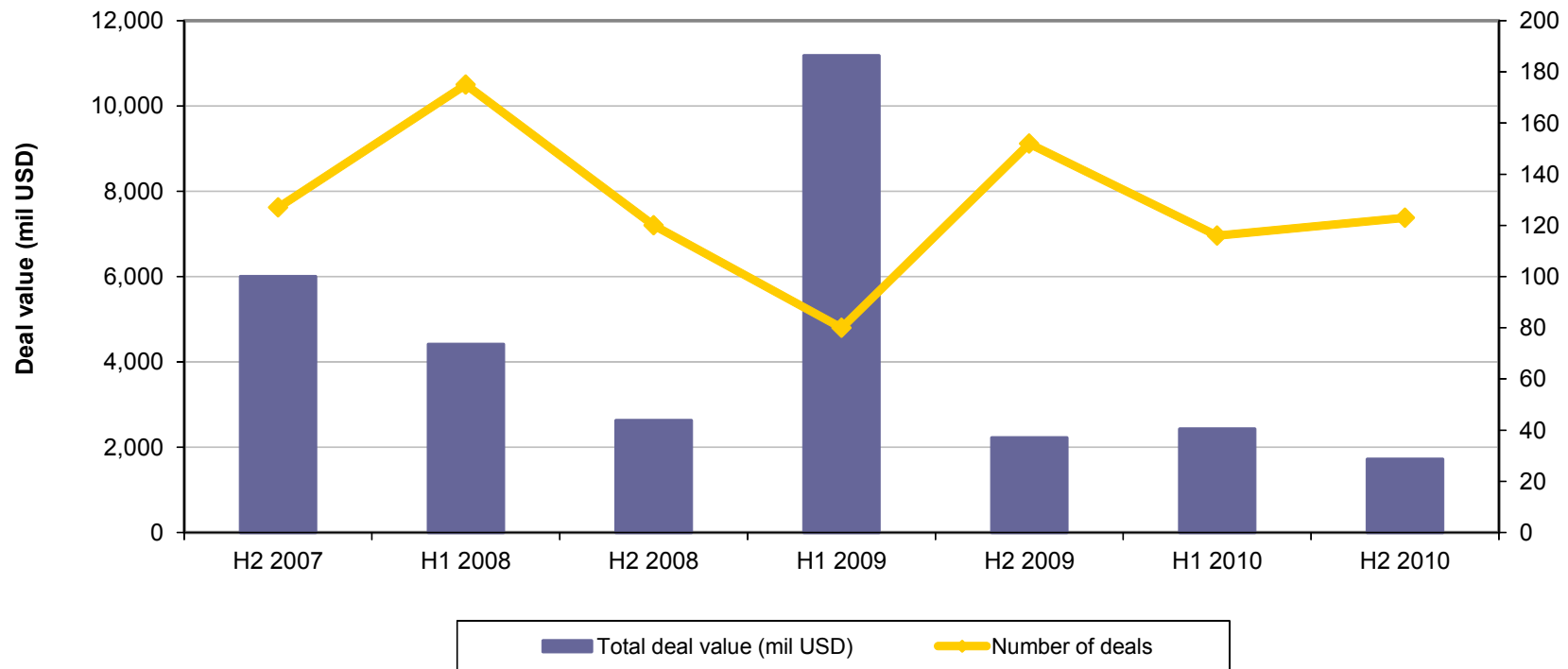
Announced date	No of deals	Total deal value (mil USD)
H2 2010	123	1,715
H1 2010	116	2,425
H2 2009	152	2,223
H1 2009	80	11,181
H2 2008	120	2,624
H1 2008	175	4,410
H2 2007	127	6,003

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### Private equity deals by volume and value



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### Top 20 private equity deals by value

	Deal value (mil USD)	Deal type	Target	Target location	Equity provider	Announced date
1	155	Minority stake	Chengdu Small & Medium Enterprise Credit Guarantee Co., Ltd	CN	Standard Chartered Private Equity Ltd; Bohai Industrial Investment Fund Management Co., Ltd; Chengdu Industry Investment Group Co., Ltd; Kundu Jiuding Capital Co., Ltd; CITIC Private Equity Funds Management Co., Ltd; Zhongyin Investment Zheshang Industrial Fund Management Co., Ltd; Chengdu Chengchuang Huizhi Venture Investment Co., Ltd	02/12/10
2	151	Minority stake 50%	Hubei Fuxing Huiyu Wuchang Property Co., Ltd	CN	Shenzhen CDF-Capital Co., Ltd	25/12/10
3	124	IBO 62%	Allyes Online Media Holding Ltd	CN	Silver Lake Management LLC	30/07/10
4	100	Minority stake	Vancl.com	CN	SAIF Partners; IDG Capital Partners; Ceyuan Ventures; Tiger Global Management LLC	01/12/10
5	100	Minority stake	Vats Liquor Store	CN	Kohlberg Kravis Roberts & Company LP; Pullock Investment Ltd; Xinyuanjing Chengzhang (Tianjin) Equity Investment Partnership Enterprise	15/12/10
6	60	Minority stake	58.com	CN	Warburg Pincus Equity Partners LP	09/12/10
7	50	Minority stake	Lashou.com	CN	GSR Ventures Management Co., Ltd; NVP Associates LLC; Tenaya Capital; Rebate Network	02/12/10
8	40	Minority stake	AdChina Inc.	CN		02/11/10
9	40	Minority stake	Bizark	CN	IDG Capital Partners	23/08/10
10	40	Minority stake	Beijing New Cooperation Supermarket Chain Co., Ltd	CN	My Decker Capital	18/08/10

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### Top 20 private equity deals by value

	Deal value (mil USD)	Deal type	Target	Target location	Equity provider	Announced date
11	40	Minority stake	Top Grade Healthcare Ltd	CN	Starr International Company Inc.	22/07/10
12	35	Minority stake	Xiaomi Technology Co., Ltd	CN	Morningside Ventures LLC; Qiming Weichang Venture Capital Management (Shanghai) Co., Ltd	15/12/10
13	35	Minority stake	LightInTheBox.com	CN	GSR Ventures Management Co., Ltd; Ceyuan Ventures; Trust Bridge Partners	25/10/10
14	30	Minority stake	Joy.cn Corporation Ltd	CN	Beijing Huashang Wintop Investment Co Ltd	29/12/10
15	30	Minority stake	Mbaobao.com	CN	Doll Capital Management Inc.; Legend Capital Co., Ltd	16/09/10
16	30	Minority stake 25%	Hangzhou Dingchu Technology Co., Ltd	CN	Green Pine Capital Partners Co., Ltd	05/08/10
17	22	Minority stake	AquaLite Co., Ltd	CN		16/08/10
18	22	Minority stake	Actblue Co., Ltd	CN	Shenzhen Leaguer Venture Capital Co., Ltd; IDG Capital Partners; Green Pine Capital Partners Co., Ltd	28/08/10
19	20	Minority stake	Luyan (Fujian) Pharma Co., Ltd	CN	Hong Qiao Investment Fund	02/07/10
20	20	Minority stake	Vctuan.com	CN		06/12/10

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### Target locations by volume and value for private equity deals

#### Top location by volume

Target location	H2 2008	H1 2009	H2 2009	H1 2010	H2 2010
China	116	79	143	110	121
Hong Kong	3	0	6	3	1
Taiwan	1	1	3	3	1
Macau	0	0	0	0	0

#### Top location by value

Target location	H2 2008 (mil USD)	H1 2009 (mil USD)	H2 2009 (mil USD)	H1 2010 (mil USD)	H2 2010 (mil USD)
China	2,439	11,173	2,112	2,382	1,715
Macau	0	0	0	0	0
Taiwan	150	8	19	11	0
Hong Kong	35	0	92	33	0

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### Target sectors by volume and value for private equity deals

#### Top ten sectors by volume

Target sector	H2 2008	H1 2009	H2 2009	H1 2010	H2 2010
Other services	46	38	65	45	54
Machinery, equipment	20	8	30	22	18
Wholesale & retail trade	11	7	8	17	14
Chemicals, rubber, plastics	9	6	17	10	7
Food, beverages, tobacco	4	3	6	4	7
Metals & metal products	4	4	3	1	5
Education, health	3	3	5	2	4
Banks	1	2	2	2	2
Hotels & restaurants	5	0	0	0	2
Primary sector	3	3	3	1	2

#### Top ten sectors by value

Target sector	H2 2008 (mil USD)	H1 2009 (mil USD)	H2 2009 (mil USD)	H1 2010 (mil USD)	H2 2010 (mil USD)
Other services	717	329	643	441	695
Wholesale & retail trade	374	112	60	1,379	326
Construction	135	11	22	0	165
Banks	25	9,695	185	20	155
Machinery, equipment	279	326	742	204	154
Food, beverages, tobacco	105	349	36	39	40
Metals & metal products	246	27	7	0	32
Chemicals, rubber, plastics	255	60	141	188	32
Gas, water, electricity	23	50	134	60	30
Textiles	24	27	27	14	25

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### Top 20 private equity providers

Equity provider	Number of deals	Number with consideration	Total deal value (mil USD)	Average deal value (mil USD)
1 IDG Capital Partners	6	6	190	32
2 Zhongyin Investment Zheshang Industrial Fund Management Co., Ltd	2	2	173	87
3 Kundu Jiuding Capital Co., Ltd	3	1	155	155
4 Chengdu Chengchuang Huizhi Venture Investment Co., Ltd	1	1	155	155
5 Standard Chartered Private Equity Ltd	1	1	155	155
6 Bohai Industrial Investment Fund Management Co., Ltd	1	1	155	155
7 CITIC Private Equity Funds Management Co., Ltd	1	1	155	155
8 Chengdu Industry Investment Group Co., Ltd	1	1	155	155
9 Shenzhen CDF-Capital Co., Ltd	1	1	151	151
10 Ceyuan Ventures	2	2	135	68
11 Silver Lake Management LLC	2	1	124	124
12 Kohlberg Kravis Roberts & Company LP	1	1	100	100
13 Tiger Global Management LLC	1	1	100	100
14 Pullock Investment Ltd	1	1	100	100
15 Xinyuanjing Chengzhang (Tianjin) Equity Investment Partnership Enterprise	1	1	100	100
16 SAIF Partners	1	1	100	100
17 GSR Ventures Management Co., Ltd	2	2	85	43
18 Qiming Weichang Venture Capital Management (Shanghai) Co., Ltd	4	4	72	18
19 Doll Capital Management Inc.	3	3	65	22
20 Trust Bridge Partners	5	5	64	13



# Zephyr M&A Report

## Notes to Editors

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### Notes to editors

Activity is based on the activity of the target country

‘Greater China targets’ refers to target companies from China, Hong Kong, Macau and Taiwan

Current deal status excludes rumoured, withdrawn or postponed deals

The sector breakdown uses targets’ activities as defined as ‘Major Sectors’ by Zephyr

H2 2010 data relates to any deal announced within the time period of 01/07/2010 to 31/12/2010

Where deals have multiple targets the sector and region of each target is represented in the data

All deal types are included except joint ventures, IPOs, planned IPOs and share buybacks



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### About Zephyr

Zephyr is an information solution containing M&A, IPO and venture capital deals and rumours with links to detailed financial company information. Zephyr covers various deal types including M&A activity, IPOs, joint ventures and private equity deals. It’s published by Bureau van Dijk (BvD). The deals on Zephyr are linked to the company financials and peer reports on BvD’s product range, which includes Orbis, Amadeus and Fame, for company valuation and benchmarking.

Zephyr contains information on over 800,000 deals. Approximately 75,000 deals are added each year depending on levels of deal activity. Zephyr has no minimum deal value. All deal information is translated into English. Zephyr’s UK-based researchers speak 30 languages and use native language and English sources in their deal enquiries. [www.zephyrdealdata.com](http://www.zephyrdealdata.com)