

China Media Quarterly Update

3rd Quarter 2011

Quarter in Review

- In the third quarter of 2011, China's traditional media companies raised \$319.0 million through four IPOs and China's new media companies raised \$174.0 million through one IPO.
- Nine M&A transactions and eight private placement transactions were announced in the third quarter of 2011 in the traditional media sector whereas eight M&A transactions and 59 private placement transactions were announced in the new media sector.

Sector Highlights

- Beijing Enlight Media Co. Ltd., a company that produces television programs and provides advertising services, issued its IPO on the ChiNext board of Shenzhen Stock Exchange and raised \$222.5 million.
- Match.com, L.L.C., a U.S. based company that operates websites for online dating, completed the acquisition of 20% stake in Zhenai Inc., an operator of integrated Internet and telephone matchmaking services to single population who are looking for long-term relationships.
- Qiyi.com, an online video website, obtained \$300.0 million from Hony Capital and Baidu.com (NASDAQ: BIDU) through its Series B round of fundraising.
- Shanghai Hongli Digital Technology Co., Ltd., a company that develops and operates animation and online games, obtained \$308.8 million from Shanda Interactive Entertainment Ltd. (NASDAQ: SNDA)
- Tencent Holding Ltd. (SEHK: 0700), a leading Internet and mobile value-added services provider in China, acquired 15.68% shareholdings of Kingsoft Corporation Ltd. (SEHK: 3888), a company that develops and operates online and mobile games for a total consideration of \$114.6 million.
- Tudou Holdings Limited, a video sharing website, issued its IPO on the NASDAQ Stock Exchange and raised \$174.0 million.
- ZoShow Network Technology, an online fashion store, selling clothes, shoes and accessories, obtained \$100.0 million from Warburg Pincus and KPCB China through its Series B round of fundraising.

Beijing

Room 705, East Tower
Twin Towers
B12 Jianguomenwai Avenue
Chaoyang District
Beijing 100022, China
T +86 (10) 8447 7398
F +86 (10) 8447 7396

Hong Kong

Suite 3518 Jardine House
One Connaught Place
Central, Hong Kong
T +852 3752 2333
F +852 2295 3979

Shanghai

5F Crystal Century Tower
567 Weihai Road, Jingan District
Shanghai 200041, China
T +86 (21) 6288 6555
F +86 (21) 6288 6585

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Traditional Media

Selected M&A/Private Placements in Q3 2011

Date Announced	Transaction Type	Target Name	Acquirer/Investor Name	Transaction Value (US\$ MM)	%	Target Description
Advertising						
7/5/2011	Private Placement	Share Media (China) Ltd.	DCM	NA	NA	Operates a video advertisements website
7/5/2011	Private Placement	I-Media	International Data Group, Inc.	10.0	NA	Provides portable media and social media advertising services
7/8/2011	M&A	Beijing Kingo Advertising & Communication Co., Ltd.	Blue Focus (SHSE:300058)	68.0	NA	Provides advertising services for companies in the real estate sector
7/15/2011	Private Placement	Gong Kong	Zhejiang Silicon Paradise Venture Group	NA	NA	Provides information and advertising services for companies in the automobile sector
7/28/2011	M&A	China New Media (HK)	Tsun Yip Holding Ltd. (SEHK:8356)	14.8	17%	Engages in outdoor advertising business
9/29/2011	M&A	China Outdoor Media Group Ltd. (SEHK:0254)	Shanda Interactive Entertainment Ltd. (NASDAQ:SNDA)	NA	1%	Provides outdoor media and advertising services
Newspaper / Magazine / Book Publishing						
7/15/2011	M&A	XNDTTV	Hunan TV; Broadcast Intermediary Co., Ltd.	12.5	49%	Develops and operates TV broadcasting network
9/14/2011	M&A	Ringier Print (Hong Kong) Limited	Hong Kong Economic Times Holdings Limited (SEHK:423)	27.6	100%	Publishes newspapers and magazines and produces and markets TV programs
Production / Broadcasting / Others						
7/4/2011	M&A	Luoxingshan Technology Co., Ltd. (SHSE:00069)	Ochloging.com	2.8	60%	Engages in tourism project design
7/5/2011	M&A	Bona International Complex Investment and Management Co., Ltd.	Bona Film Group Limited. (NASDAQ:BONA)	31.3	100%	Engages in constructing and operating cinemas
7/20/2011	Private Placement	Sky Land	IDG Capital Partners; SAIF Partners	NA	NA	Produces and distributes movies
7/27/2011	Private Placement	Shanghai BlueFocus Public Relation Service Co., Ltd.	BlueFocus Communication Group Co., Ltd. (SZSE:300058)	27.0	NA	Engages in media communications
7/28/2011	Private Placement	Rojam Entertainment Holdings Ltd. (SEHK:8075)	SINA Corporation(NASDAQ:SINA); Esun Holdings Limited (SEHK:571); YF Capital	62.8	NA	Engages in digital content publishing and other entertainment related businesses
7/28/2011	M&A	East Asia Satellite Television Ltd.	eSun Holdings Ltd. (SEHK:571)	84.5	33%	Provider of entertainment production services
8/3/2011	M&A	Perfect World (Beijing) Film and Entertainment Co., Ltd.	Beijing Ever Joy Pictures	56.2	NA	Engages in film production
8/4/2011	Private Placement	China Digital TV (NYSE:STV)	Intel Capital	NA	NA	Provides Conditional Access Systems to the digital television market
8/25/2011	Private Placement	Qindaowenhua	Fortune	11.0	NA	Offers professional activity planning and equipment rental services

Source: Company announcements, Capital IQ, Zero2IPO.com.cn, Quamnet.com, ChinaVenture.com.cn, Yahoo! Finance News and PRNewswire.

Selected Capital Markets Transactions in Q3 2011

Pricing Date	Transaction Type	Exchange	Company Name	Sub-Sector	Amount (US\$MM)	Final Pricing (US\$)	Premium/ (Discount) to Market ⁽¹⁾	Price as of Sep 30 (US\$)	Market Cap as of Sep 30 (US\$MM)	Company Description
7/15/2011	IPO	SZSE - ChiNext	Beijing Enlight Media Co. Ltd. (SZSE:300251)	TV Production	222.5	8.12	NA	9.70	1,063.1	Produces television programs and provides advertising services
7/25/2011	IPO	SEHK	1010 Printing Group Ltd. (SEHK:1127)	Publishing & Printing	11.2	0.09	NA	0.06	32.5	Provides publishing and printing services
7/28/2011	IPO	NASDAQ	Focus Media Network Limited (SEHK:8112)	Advertising	8.2	0.10	NA	16.84	32.8	Operates as a digital out-of-home media company in Hong Kong and Singapore
9/16/2011	IPO	SZSE - ChiNext	AVIT Ltd. (SZSE:300264)	Communications Equipment	77.1	2.59	NA	2.62	267.0	Manufactures and supplies digital video broadcasting (DVB) systems to network operators

⁽¹⁾Premium/Discount to Market is calculated based on the closing price of the day of pricing

Source: Company announcements, Capital IQ, Zero2IPO.com.cn, Quamnet.com, ChinaVenture.com.cn, Yahoo! Finance News and PRNewswire.

New Media

Selected M&A/Private Placements in Q3 2011

Date Announced	Transaction Type	Target Name	Acquirer/Investor Name	Transaction Value (US\$ MM)	%	Target Description
Ecommerce / Search / Portals						
7/1/2011	M&A	Taofang.com.cn	58.com	NA	NA	An online trading platform for housing rental
7/5/2011	Private Placement	S.cn Network Technology Co., Ltd.	Alibaba Group (SEHK:1688)	15.0	20%	B2C online shoes retail platform
7/6/2011	Private Placement	HSTYLE	IDG Technology Venture Investments, LLC	NA	NA	Online clothing retailer
7/6/2011	M&A	99pto.com	Ctrip.com International Ltd. (NASDAQ:CTRP)	NA	100%	An online website for purchasing of train tickets
7/7/2011	Private Placement	Meituan.com	Sequoia Capital China; Northern Light Venture Capital; Walden International Investment Group; Alibaba Group (SEHK:1688)	50.0	NA	Online group buying service provider
7/7/2011	Private Placement	Xijie.com	ZVC Management Co., Ltd.; Shanghai CCI Investment Co., Ltd.	12.6	NA	B2C online apparel retailer selling fashion and leisure wear and sports goods
7/11/2011	Private Placement	500ccc.com	NA	NA	NA	3C ecommerce website focused on electronic appliance
7/18/2011	Private Placement	Yougou Technology Co., Ltd.	Belle International Holdings Limited (SEHK:1880); Baidu.com, Inc. (NASDAQ:BIDU)	463.9	NA	Owns and operates yougou.com, an online shoe sale portal, founded in 2011 and based in Shenzhen
7/19/2011	Private Placement	Airizu.com	NA	2.0	NA	Online trading platform for house rental
7/19/2011	Private Placement	BEKIZ	SAIF Partners	6.4	NA	Ecommerce website selling children's garment brand BEKIZ
7/19/2011	Private Placement	Secoo.com	International Data Group, Inc.	5.0	NA	Online luxury goods retailer
7/20/2011	Private Placement	TOP100.cn	China Media Capital	20.0	NA	Search engine for music
7/20/2011	Private Placement	Pfa.cn	NA	NA	NA	An online wholesale website
7/25/2011	Private Placement	Baifendian Technology	IDG Technology Venture Investments, LLC; Mingly China Growth Fund	7.2	NA	Provides commercial intelligence analysis service for ecommerce companies
7/26/2011	Private Placement	Renrenwei.com	Focus Media Holding Ltd. (NASDAQ:FMCN)	4.7	NA	An entertainment website focused on news on celebrities
7/27/2011	Private Placement	51fanli.com	Steamboat Ventures, LLC; Qiming Venture Partners	NA	NA	A website that provides coupons and shopping information

Selected M&A/Private Placements in Q3 2011

Date Announced	Transaction Type	Target Name	Acquirer/Investor Name	Transaction Value (US\$ MM)	%	Target Description
Ecommerce / Search / Portals						
7/28/2011	Private Placement	ShangPin.com	Morningside Group (Holdings) Ltd.; Steamboat Ventures, Asia	50.0	NA	Online luxury goods retailer
8/2/2011	Private Placement	Vcotton.com	NA	31.0	NA	Owns and operates an innerwear ecommerce platform
8/3/2011	Private Placement	70xy.com	Shenzhen Capital Group Co., Ltd.; CDH Investments	20.0	NA	Develops and operates online games
8/4/2011	M&A	Fanshu.com	Baidu.com, Inc. (NASDAQ:BIDU)	NA	40%	B2C online book retail platform
8/4/2011	Private Placement	Yaodian100.com	Intel Capital Corporation	NA	NA	B2C ecommerce website that sells digital products, home appliances, clothes and accessories
8/8/2011	Private Placement	Yongche.com	Morningside Ventures	NA	NA	Ecommerce website focused on car rental
8/15/2011	Private Placement	Pinju.com	Shanda Interactive Entertainment Ltd. (NASDAQ:SNDA)	31.8	NA	B2C ecommerce website that sells clothes, grocery products and daily products
8/17/2011	Private Placement	ZoShow Network Technology Co., Ltd.	Warburg Pincus LLC; KPCB China	100.0	NA	Operates an online fashion store selling clothes, shoes and accessories
8/22/2011	Private Placement	Hudong Online (Beijing) Technology Co., Ltd.	NA	15.6	NA	Operates a Chinese Wikipedia for encyclopedic information
8/23/2011	Private Placement	Jiuxian.com	NA	50.0	NA	Operates as a B2C online alcohol retail platform
8/25/2011	Private Placement	Vipku.com	Shanghai Good Hope Equity Share Investment Management Co., Ltd.	NA	NA	Engages in online retailing of luxury goods
9/5/2011	Private Placement	Vipstore.com ⁽²⁾	Intel Capital Corporation; GSR Ventures; Taishan Invest AG	20.0	NA	Operates vipstore.com, an online retailer of discounted global luxury goods
9/6/2011	M&A	OnCard International Ltd. (ASX:ONC)	Alipay.com	NA	100%	Engages in the provision of loyalty card, reward card and payment solutions in Australia, Asia, and China
9/6/2011	Private Placement	Venus Veil Limited	Nissen Holdings Co., Ltd. (OSE:8248)	NA	NA	Engages in online and catalog retail of women's undergarments
9/6/2011	Private Placement	17ugo.com	Belle International Holdings Limited (SEHK:1880)	200.0	NA	Operates as an online footwear and garment store
9/16/2011	Private Placement	Lvmama.com	Sequoia Capital China; South River Capital	NA	NA	Provides tourist attraction marketing services
9/16/2011	Private Placement	Xinhuanet.cn	Anhui Xinhua Media Co., Ltd.	2.8	1%	Website of Xinhua News Agency
9/19/2011	Private Placement	Winenice.com	Shenzhen Capital Group Co., Ltd.	12.5	NA	Engages in selling wine through an online portal
9/19/2011	Private Placement	Miqi.cn	DT Capital Partners	NA	NA	Engages in the online retail of cosmetics
9/20/2011	Private Placement	Yi-inc.com	Trustbridge Partners; IDG Technology Venture Investments, LLC	20.0	NA	Provides electronic business outsourcing service
9/20/2011	Private Placement	Xinhua Tourism Network Corporations	Milestone Capital	23.0	NA	Provides online tourism information services
9/22/2011	Private Placement	Alibaba Group (SEHK:1688)	Giant Interactive Group Inc. (NYSE:GA)	50.0	NA	B2B online trading platform
9/22/2011	Private Placement	36tuan.com	Baidu.com, Inc. (NASDAQ:BIDU)	NA	NA	Online group buying service provider
9/26/2011	Private Placement	Zocai.com	NA	31.3	NA	Online jewelry retailer
9/26/2011	Private Placement	Kanshu.com	Sequoia Capital China	4.2	NA	Online original novels website
Online Entertainment						
7/1/2011	Private Placement	Beijing Baihe Online Technology Co., Ltd.	NA	NA	NA	An online dating website that provides dating services for single people
7/6/2011	M&A	Kingsoft Corporation Ltd. (SEHK:3888)	Tencent Holding Ltd. (SEHK:0700)	114.6	16%	Engages in the research, development, operation and distribution of online and mobile games
7/12/2011	Private Placement	Shanghai Hongli Digital Technology Co., Ltd.	Shanda Interactive Entertainment Ltd. (NASDAQ:SNDA)	308.8	NA	Develops and operates animation and online games
7/18/2011	Private Placement	Qiyi.com	Hony Capital; Baidu.com, Inc. (NASDAQ:BIDU)	300.0	NA	Online video website allowing users to upload, share, watch, rate and comment on videos
7/18/2011	M&A	1Ting	TOP100.cn	10.0	100%	Online music website focused on original music
7/20/2011	Private Placement	China Resources Microelectronics Ltd. (SEHK:0597)	China Resources (Holdings) Co., Ltd.	20.0	NA	Operates an online music market for Chinese music fans to discover, listen, download and purchase music products
7/25/2011	Private Placement	Dajie.com	New Oriental Education & Technology Group (NYSE:EDU)	NA	NA	A social networking site
7/30/2011	Private Placement	Boyaa Interactive	Sequoia Capital China	6.0	NA	Develops social games and provides social networking services
8/1/2011	Private Placement	Ismole Inc.	NA	10.0	NA	Develops and markets social networking games and applications
8/5/2011	Private Placement	Yurong Network	NA	NA	NA	Operates a psychological interaction entertainment platform
8/15/2011	Private Placement	Douban.com	NA	50.0	NA	Operates as an online social network to review and discuss books, movies and music
8/18/2011	Private Placement	Bokecc.com	Govtor Capital, IDG Technology Venture Investments, LLC, Steamboat Ventures, LLC	20.0	NA	Operator of video media platform
8/30/2011	Private Placement	Tudou Holdings Limited (NASDAQ:TUDO)	SINA Corporation (NASDAQ:SINA)	66.4	9%	Operates Tudou.com that allows users to upload, share, watch, rate and comment on videos
9/6/2011	Private Placement	Beijing Slanissue Technology Co., Ltd.	Qiming Weichuang Venture Capital Management (Shanghai) Company Limited	10.0	NA	Operates a children's online education and entertainment platform
9/14/2011	M&A	Zhenai Inc ⁽³⁾	Match.com, L.L.C.	NA	20%	Owns and operates an Internet portal which offers integrated Internet and telephone matchmaking services to single population who are looking for long-term relationships
9/27/2011	M&A	56.com Inc.	Renren.com (NYSE:RENN)	NA	100%	Operates 56.com, an online video website
Wireless Value-Added Services ("WVAS")						
7/5/2011	Private Placement	International Data Group	Phoenix Satellite Television (B.V.I.) Holding Ltd. (SEHK:2008)	10.0	NA	Provides mobile media related and social media market related advertisement
7/6/2011	Private Placement	App Annie Ltd.	IDG Capital Partners	NA	NA	Provides an app care web service for iPhone app developers and app store publishers
7/27/2011	Private Placement	Meuu.com	Sinofriends Inc.	31.4	NA	Develops and operates online social games
7/29/2011	Private Placement	Domob	Redpoint Ventures; Qiming Venture Partners	10.0	NA	Provides advertising services on mobile networks
8/1/2011	Private Placement	Duomeng Zhisheng Network Co., Ltd.	Redpoint Ventures; Qiming Weichuang Venture Capital Management (Shanghai) Company Limited	10.0	NA	Offers mobile Internet advertising services
8/9/2011	Private Placement	Ultizen Games Ltd.	Gree Inc.	NA	5%	Developer of online games and mobile phone games
8/15/2011	Private Placement	Beijing Digital Grid Technology Co., Ltd.	Infinity Private Equity Fund	12.0	NA	Provides mobile software such as phone books
8/26/2011	Private Placement	Rovker Network Technology	NA	0.1	NA	Engages in developing VLNS (Vehicle Location and Navigation System) on Android platform
8/29/2011	Private Placement	Doodle Mobile	Innovation works	NA	NA	Developer of mobilephone games

Selected M&A/Private Placements in Q3 2011

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Wireless Value-Added Services ("WVAS")						
9/13/2011	Private Placement	Leba.cn	Shanda Interactive Entertainment Ltd. (NASDAQ: SNDA)	NA	NA	Content provider of interactive entertainment based on the Internet and wireless Internet

⁽²⁾ Cowen and Company Asia Acted as the Exclusive Placement Agent for VIPstore.com on the Transaction

⁽³⁾ Cowen and Company Asia Acted as the Exclusive Financial Advisor for Zhenai Inc., on the Transaction

Source: Company announcements, Capital IQ, Zero2IPO.com.cn, Quamnet.com, ChinaVenture.com.cn, Yahoo! Finance News and PRNewswire.

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8/16/2011	IPO	NASDAQ	Tudou Holdings Limited (NASDAQ: TUDO)	Online Entertainment	174.0	29.00	NA	13.65	387.1	Operates Tudou.com, an online platform that allows users to upload, share, watch, rate, and comment on videos

⁽¹⁾ Premium/Discount to Market is calculated based on the closing price of the day of pricing

Source: Company announcements, Capital IQ, Zero2IPO.com.cn, Quamnet.com, ChinaVenture.com.cn, Yahoo! Finance News and PRNewswire.

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