

# Market Visit to China

Private Equity, Venture Capital and Fund Management Companies

Beijing and Shanghai

19-23/03/2012



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# China's potential

At present, major Chinese institutional investors are able to invest 15% of their total AUM offshore, on average, without seeking additional approval from regulators. This is drawn from a total assets of RMB9trillion (USD2trillion), meaning up to RMB1.5trillion that is ready for deployment.\*

UK Trade & Investment (UKTI) London region is leading an inaugural market visit to Beijing and Shanghai for Private Equity (PE), Venture Capital (VC) firms and Fund Management companies (FMC) to meet with local industry regulators and key institutional investors, identify fund raising opportunities and understand policies and regulations on outbound investment for Chinese Qualified Domestic Institution Investors (QDII).

Join this market visit and get to know China's overall regulatory framework for VC, PE and Fund Management sectors both at a local and national level and gain inside knowledge of how the business is run and its exit options both domestically and internationally in this industry. Explore further partnership or investment opportunities in both China and the UK with local PE, VC firms and FMCs.

## China - A balanced economy

China has a young financial services and professional services sector that is expanding at explosive rates to meet the demands of a fast growing and increasingly wealthy nation.

China's 12th Five Year Plan (2011-2015) is set to address rising inequality and create an environment for more sustainable growth by prioritising more equitable wealth distribution, increased domestic consumption and improved social infrastructure. In the financial services sector, the Five Year Plan aims to further develop small-to-medium sized financial institutions and the private equity sector, explore the secure advancement of new financial products, expand pension schemes coverage to all rural residents and 357 million urban residents, offshore investing and diversify investment portfolios. This provides good business opportunities for UK's financial services sector.

**Beijing** - The capital offers the advantage of acting as home to the central Government and various regulators, which is an important driver for many investors.

**Shanghai** - Home to key financial markets (index futures, Shanghai Stock Exchange, Gold Exchange) and domestic and international companies.

## Private Equity/Venture Capital Opportunities

China's economic growth has created a steady flow of investment opportunities and this is expected to fuel interest as more global private equity funds look to deploy capital in the region.

In 2009, there were 542 equity investments in China, including 114 private equity investments and 428 venture capital investments amounting to US\$22.4 billion. The manufacturing, IT, internet and energy sectors attracted the most investments.

China is encouraging the growth of Renminbi denominated funds which give investors better access to the domestic market (and swifter approvals). US funds tend to be the largest foreign players although several UK houses are present in the market.

Whilst the door remains shut on reverse takeover listings, the UK recently secured Chinese agreement for Mainland registered companies to list directly in London giving PE houses both domestic and international exit options.



## Market visit objectives

- Meet with local industry regulators and key local institutional investors
- Identify fund raising opportunities and to understand policies and regulations on outbound investment for Chinese Qualified Domestic Institution Investors (QDII)
- Get to know China's overall regulatory framework for VC, PE and Fund Management sectors both at local and national level
- To get an inside knowledge of how the business is run and its exit options both domestically and internationally
- To explore further partnership / investment opportunities in both China and the UK with local PE, VC firms and FMCs.

## Market visit benefits

- Pre-visit briefing in London to hear from China experts
- In-country briefings in Beijing and Shanghai
- Support of an experienced UKTI International Trade Adviser
- Meetings with central and local government regulatory bodies
- Meetings with both local and foreign PE/VC firms and fund management companies
- Networking reception in Beijing
- Brochure with all company profiles translated into Chinese

\*According to Z-Ben Advisors' recent report

## Fund Management Opportunities

The rate of wealth creation in China during the past decade has been unprecedented. China's growing middle class are looking for experienced professional advisers to invest their wealth in China's domestic markets. Currently 103 Foreign players trade in the Chinese securities market through the QFII (Qualified Foreign Institutional Investors) scheme, 18 of these are British, more than any other European nation.

Chinese institutions are also able to invest directly overseas through the QDII (Qualified Domestic Institutional Investors) scheme where some £42bn of investment quotas have been awarded. However, Chinese investors are less familiar with non-Asian markets. Top quartile Fund Managers who are active in international markets are well placed to win investment mandates from Chinese institutions, including Sovereign Wealth Funds.



Register your interest before  
Friday 16 December 2011

Places are limited - register now to  
avoid disappointment.

### \*Eligibility

This market visit is aimed at UK-based  
Fund Management, Venture Capital  
and Private Equity firms.

To register your interest, please  
complete the form overleaf.  
A full application form will be sent  
to eligible companies.

### Further Information

Please contact:

Paolo Di Brina  
UK Trade & Investment  
Trade Mission Coordinator  
Shand House  
14-20 Shand Street  
London SE1 2ES

T: +44 (0) 20 7940 1557  
F: +44 (0) 20 7234 3001  
E: paolodibrina@uktilondon.org.uk  
W: www.ukti.gov.uk/london

### Provisional Programme\*

#### London

Tuesday 13 December (tbc)

- Pre-mission briefing

#### Beijing

Monday 19 March

- (AM) Embassy briefing and call on China Security Regulatory Commission (CSRC)
- (PM) Meeting with Financial services office of Beijing municipal Government and China Investment Corporation (CIC)

Tuesday 20 March

- (AM) Meeting with State Administration of Foreign Exchange (SAFE) and National Council for Social Security Fund (NSSF)
- (PM) Meeting with China Venture Capital Association (CVCA) and Local PE/VC firms
- Networking reception

Wednesday 21 March

- Travel to Shanghai

#### Shanghai

Thursday 22 March

- (AM) Financial Services office of Shanghai Municipal Government
- (PM) Big local PE/VC, Fund Management firms

Friday 23 March

- (AM) Meetings with Shanghai Qualified Domestic Institution Investors (QDII)
- (PM) Meetings with Qualified Foreign Institution Investors (QFII)

Saturday 24 or Sunday 25 depart to London

\*Timings and dates are approximate and subject to change

# Registration Form

## Market Visit to China: Beijing and Shanghai Booking deadline: Friday 16 December 2011

### Participation fee: £550

Places are limited to two delegates per company and eligible companies will be sent a full application form. Cost per additional delegate will be £150.

### UK Trade & Investment will cover the following costs:

- Organisation of the itinerary and group meetings with both local and central Government and PE, VC and Fund Management firms during the visit
- Networking reception
- Hire of rooms and facilities for briefings (in both London and China)
- Any banquets, receptions and dinners included in the programme
- Internal coach hire for meetings in both cities and some airport transfer.

### Participating companies will need to make their own arrangements for and cover the costs of:

- Flights to and from China and internal transport between the cities
- Accommodation in the two cities
- Subsistence costs for any meals and refreshments not included in the programme
- Associated costs such as visa costs and the costs of health precautions
- Airport transfers not covered by UKTI.

### Funding

There is a limited number of Market Visit Support (MVS) financial assistance of £750 available for eligible companies on a first come, first served basis.

### Confirmation of Participation

To confirm your participation in the visit please complete the form by Friday 16 December 2011 and return to [paolodibrina@uktilondon.org.uk](mailto:paolodibrina@uktilondon.org.uk).

### Mission Briefing

UKTI will organise a free briefing for all delegates on Tuesday 13 December 2011. You will be informed about the mission briefing in due course.

### Further Information

Please contact:

Paolo Di Brina  
T: +44 (0) 20 7940 1557  
F: +44 (0) 20 7234 3001  
E: [paolodibrina@uktilondon.org.uk](mailto:paolodibrina@uktilondon.org.uk)  
W: [www.ukti.gov.uk/london](http://www.ukti.gov.uk/london)

The person(s) detailed below will take part in the market visit:

	Delegate 1	Delegate 2
Name		
Company		
Business Description		
Address		
Postcode		
Website		
Email		

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Information regarding the collection, use, disclosure and processing of personal data is to be found in the Privacy Statement on the UK Trade & Investment website [www.ukti.gov.uk](http://www.ukti.gov.uk).