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ChiNext Delisting Policy Solicits Opinions, Hard to Produce Instant Results

09 December 2011 Gillian Zhang , Zero2IPO Research Center

On November 28, 2011, Shenzhen Stock Exchange issued the Scheme for Improving Delisting System of ChiNext (Draft for Soliciting Opinions), which added two more delisting conditions, held no brief for the back-door listing of companies that were suspended for listing, and proposed to set up the delisting & reorganizing board. Moreover, the Scheme specified the long-anticipated ChiNext delisting system and concentrated investors’ attentions on ChiNext that took moves frequently in the recent period.

Since Guo Shuqing took the position of Chairman of the CSRC, many ChiNext-related policies have been worked out to improve ChiNext in dividend, refinancing and delisting.

Alibaba Reportedly Seeks $4B Financing to Buy Yahoo's Stake

09 December 2011 Forbes

Alibaba Group is looking for up to $4 billion in debt financing to help fund the repurchase of the 40% stake in the company owned by Yahoo, according to Reuters, which cites "sources familiar with the matter.“

The story says that Rothschild, as adviser to Alibaba, has sent out term sheets to banks seeing underwriting proposals.

Alibaba Group declined to comment.

The Street for eons has been eager to see Yahoo get rid of its Alibaba stake; a sale of that position - as well as the company's stake in Yahoo Japan - would make the company's decision on what to do with the core business a lot easier to sort out.

Vancl Raises $230MM 6th Round

08 December 2011 Forbes

You probably haven't heard of Vancl, unless you follow the Chinese internet space closely. However, a clothing e-tailer called Vancl is an interesting bellwether for the space. Vancl is - in some ways - trying to be the Gap (GPS) of China - except with no stores, just online only.

To grow their brand - like a lot of Chinese e-commerce players like Lashou, Jaiyun (DATE), and Dangdang (DANG) - Vancl is spending a bunch of their revenue coming in each month on marketing their site and for the back-end distribution to deliver their goods. They're also living in the shadow of their e-commerce big brother: Jack Ma's Taobao and T-mall.

There has also been rumors that Vancl will IPO fairly soon. However, today's news in Marbridge Daily is that Vancl just raised a 6th round of VC financing giving the company another $230 million.

Private-Equity Firms' Yuan Funds Soar

08 December 2011 Wall Street Journal

Private-equity firms raised more money in China for funds denominated in the country's currency than for those in dollars, according to a report issued on Thursday, as cash-rich Chinese companies and wealthy individuals seek higher returns on their money.

Private-equity firms closed 295 yuan funds in China from January to November, raising a total of 19.8 billion yuan ($3.1 billion), according to a report by Zero2IPO Research, a Beijing-based firm that tracks China's private-equity industry. The capital raised accounted for 75% of all the private-equity funds completed in the first 11 months of this year, which totaled 26.5 billion yuan—more than double the money raised in all of 2010. The rest of the funds are denominated in dollars.

In the past, dollar-denominated funds dominated China's private-equity industry, as many big Chinese institutions like insurance companies were largely barred from investing in private equity, while overseas investors were eager for a toehold in China.

China Approves Nestlé $1.7-bn Acquisition of Local Candy Maker Hsu Fu Chi

07 December 2011 Xinhua News Agency

China today approved Nestlé proposal to acquire a controlling stake in local snack and candy maker Hsu Fu Chi International, one of the few rare approvals recently passed by Beijing.

Singapore-listed Hsu Fu Chi today said that China's commerce ministry had approved Nestlé purchase of a 60-per cent stake in the company. The acquisition is Nestlé biggest deal in China to date.
In July, the Vevey, Switzerland-based Nestlé , the world's largest food company, offered to buy 60-per cent of Hsu Fu Chi, for about $1.7 billion in cash.

Nestle will then buy 16.48 per cent of the 56.48 per cent held by the Hsu family. The Swiss food giant had secured irrevocable undertakings from the two largest independent shareholders - Arisaig Partners Holdings and subsidiaries of the Baring Asia Private Equity Fund who hold 9 per cent and 16.5 per cent respectively - that they would sell their stakes to the Swiss firm.

KKR to Invest $60 Million in China Outfitters IPO

07 December 2011 Reuters

Global private equity firm KKR & Co L.P. (KKR.N) said on Monday that it would invest $60 million as a cornerstone investor in the Hong Kong initial public offering of China men's casual wear retailer China Outfitters Holdings Ltd 1146.HK.

"The menswear market in China has enormous growth potential. Market leaders such as China Outfitters have significant room to increase market share," David Liu, CEO of KKR Greater China said.

Private equity firms are increasingly providing pre-IPO financing, an area hedge funds previously dominated in Asia prior to the 2008 financial crisis.