



BUREAU VAN DIJK

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M&A Review

Greater China

H1 2018

The following report details mergers and acquisitions activity in Greater China in H1 2018 using data from the Zephyr database.

It focuses on deal activity by target company.

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

Greater China M&A slowed down in H1 2018 but remained robust all the same

Mergers and acquisitions (M&A) targeting companies based in Greater China, comprising China, Hong Kong, Macao and Taiwan, remained robust in H1 2018 at 7,839 deals totalling USD 428,729 million, and while M&A was down from H2 2017, value was actually the fourth-largest and volume the fifth highest on record.

While regulatory, political and financial concerns – for example Beijing cracking down on irregular practices and illegal activities in the country's financial sector to forestall and curb risks and a potential trade war with the US - weighed on M&A, they did not totally suppress individual valuations as two deals topped USD 10,000 million. Agricultural Bank of China raised USD 14,999 million and Ant Financial, the payments platform controlled by Jack Ma, completed a USD 14,000 million funding round.

Deals by volume and value

Announced date	No of deals	Total deal value (mil USD)
H1 2018	7,839	428,729
H2 2017	9,164	463,713
H1 2017	8,019	384,172
H2 2016	8,552	407,199
H1 2016	7,416	422,287
H2 2015	8,522	662,237
H1 2015	7,695	573,093
H2 2014	5,950	357,995
H1 2014	4,217	265,485



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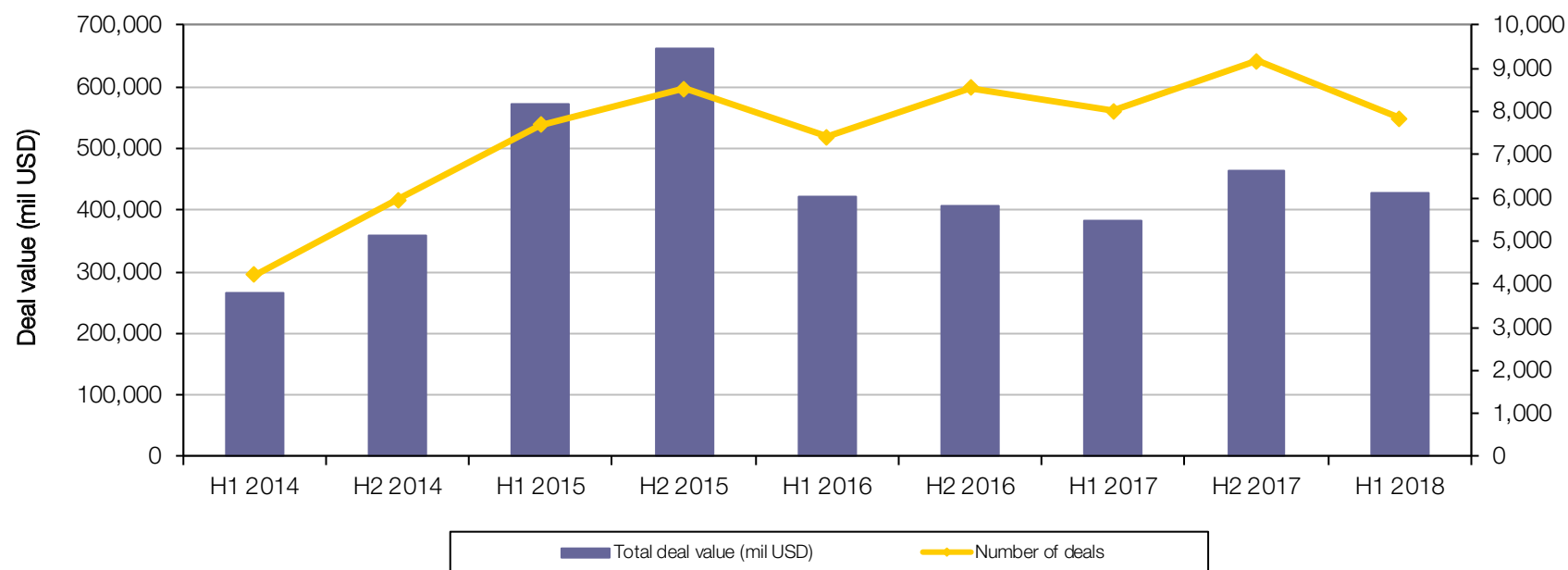


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Deals by volume and value



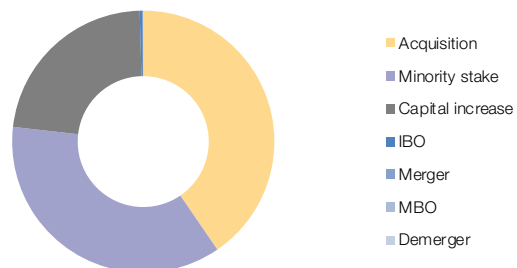
Top 20 deals by value with Greater China targets

	Deal value (mil USD)	Deal type	Target	Target country	Acquiror	Acquiror country	Announced date
1.	14,999	Capital Increase 7%	Agricultural Bank of China Ltd	CN	New China Life Insurance Co., Ltd; Central Huijin Investment Co., Ltd; Ministry of Finance of the People's Republic of China; China National Tobacco Corporation; Shanghai Haiyan Investment Management Co., Ltd; China National Tobacco Corporation Hubei Province Company; Zhongwei Capital Holding Co., Ltd	CN; CN; CN; CN; CN;	12/03/2018
2.	14,000	Minority stake	Ant Financial Services Group	CN	Carlyle Group LP; Warburg Pincus LLC; Silver Lake Technology Management LLC; T Rowe Price Associates Inc.; Investors; Sequoia Capital Operations LLC; Temasek Holdings Pte Ltd; Khazanah Nasional Bhd; BlackRock Inc.; Canada Pension Plan Investment Board; Discovery Capital Management Corporation; Baillie Gifford & Co Ltd; Tiger Global Management LLC; General Atlantic LLC; Primavera Capital Management Ltd; GIC Pte Ltd; Janchor Partners Ltd	US; US; US; US; US; SG; MY; US; CA; CA; GB; US; US; KY; SG; HK	29/05/2018
3.	9,469	Capital Increase	Bank of Communications Co., Ltd	CN			27/04/2018
4.	8,209	Acquisition 100%	Yantai Wanhua Chemical Co., Ltd	CN	Wanhua Chemical Group Co., Ltd	CN	10/05/2018
5.	7,500	Minority stake 48%	Wanhua Chemical Group Co., Ltd	CN	Yantai Wanhua Chemical Co., Ltd	CN	19/03/2018
6.	5,415	Acquisition 43% to 100%	Shanghai Lazhasi Information Technology Co., Ltd	CN	Alibaba Group Holding Ltd; Ant Financial Services Group	KY; CN	02/04/2018
7.	5,000	Capital Increase 33%	Ant Financial Services Group	CN	Alibaba Group Holding Ltd	KY	01/02/2018
8.	4,758	Capital Increase	Industrial Bank Co., Ltd	CN	China National Tobacco Corporation Sichuan Company; Gansu Tobacco Corporation Lanzhou Company; China National Tobacco Corporation Gansu Company; China National Tobacco Corporation Hunan Company; Zhongwei Capital Holding Co., Ltd; China National Tobacco Corporation Jiangsu Company; China National Tobacco Corporation Henan Company; Hunan Tobacco Corporation Zhuzhou Company; Hunan Tobacco Corporation Hengyang Company; Hunan Tobacco Corporation Shaoyang Company; Hunan Tobacco Corporation Yongzhou Company; Hunan Tobacco Corporation Chenzhou Company; Hunan Tobacco Redrying Co., Ltd; Sichuan Tobacco Corporation Chengdu Company; China National Tobacco Corporation Guangxi Zhuang Autonomous Region Company	CN; CN; CN; CN; CN; CN; CN; CN; CN; CN; CN; CN; CN; CN	25/04/2018

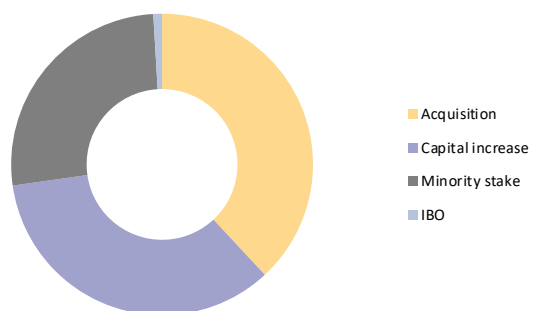
Top 20 deals by value with Greater China targets (Cont'd)

	Deal value (mil USD)	Deal type	Target	Target country	Acquiror	Acquiror country	Announced date
9.	4,508	Acquisition 100%	Beijing Electric Vehicle Co., Ltd	CN	Chengdu Qianfeng Electronics Co., Ltd	CN	22/01/2018
10.	3,926	Minority stake 39%	China Merchants Port Holdings Co., Ltd	HK	Shenzhen Chiwan Wharf Holdings Ltd	CN	20/04/2018
11.	3,882	Acquisition 100%	Zhongtian Urban Development Group Co., Ltd	CN	Guiyang Jinshiqi Industrial Investment Co., Ltd	CN	10/03/2018
12.	3,700	Acquisition 100%	Beijing Mobike Technology Co., Ltd	CN	China Internet Plus Holding Ltd		04/04/2018
13.	3,360	Acquisition 100%	COFCO Capital Investment Co., Ltd	CN	Zhongyuan Special Steel Co., Ltd	CN	25/04/2018
14.	3,290	Acquisition 94%	Semiconductor Manufacturing South China Corporation	CN	National Integrated Circuit Industry Investment Fund Corporation; Shanghai Integrated Circuit Industry Investment Fund Co., Ltd; SMIC Holdings Corporation	CN; CN; CN	30/01/2018
15.	3,273	Capital Increase 14%	ZTE Corporation	CN	Investors		31/01/2018
16.	3,174	Capital Increase	Bank of Jiangsu Co., Ltd	CN			03/02/2018
17.	3,162	Capital Increase 12%	Haitong Securities Co., Ltd	CN	Investors		26/04/2018
18.	3,000	Minority stake	Shanghai Xunmeng Information Technology Co., Ltd	CN	Sequoia Capital Operations LLC; Tencent Holdings Ltd	US; KY	11/04/2018
19.	2,911	Acquisition 100%	Beijing Offcn Education Technology Co., Ltd	CN	Yaxia Automobile Corporation	CN	05/05/2018
20.	2,861	Capital increase acquired 69%, to hold 80%	HNA Group Finance Co., Ltd	CN	HNA Group Co., Ltd; HNA Business Holdings Co., Ltd; Haikou Meilan International Airport Co., Ltd; HNA Technology Group Co., Ltd	CN; CN; CN; CN	06/02/2018

Deal types by volume of deals in H1 2018



Deal types by value of deals in H1 2018



Deal types by volume of deals

Deal type	H1 2017	H2 2017	H1 2018
Acquisition	3,272	3,813	3,173
Minority stake	2,476	2,999	2,853
Capital increase	2,262	2,292	1,787
IBO	10	57	28
Merger	3	3	3
MBO	1	1	2
Demerger	1	2	1

Deal types by value of deals

Deal type	H1 2017 (mil USD)	H2 2017 (mil USD)	H1 2018 (mil USD)
Acquisition	143,636	212,794	163,921
Capital increase	148,684	154,108	149,272
Minority stake	90,833	94,963	113,284
IBO	1,230	1,892	4,011

Target sector by volume of deals

Target sector	H1 2017	H2 2017	H1 2018
Other services	3,068	3,287	3,032
Machinery, equipment, furniture, recycling	1,542	1,702	1,432
Chemicals, rubber, plastics	691	824	636
Wholesale & retail trade	454	668	484
Publishing, printing	465	457	417
Construction	363	434	416
Metals & metal products	248	277	210
Education, health	139	231	200
Gas, water, electricity	162	186	141
Primary sector	115	135	140
Food, beverages, tobacco	128	145	140
Transport	114	156	100
Textiles, wearing apparel, leather	63	89	65
Hotels & restaurants	72	66	59
Wood, cork, paper	47	45	53
Insurance companies	30	30	39
Banks	49	61	36
Post and telecommunications	23	42	15
Public administration and defence	2	1	4

Target sector by value of deals

Target sector	H1 2017 (mil USD)	H2 2017 (mil USD)	H1 2018 (mil USD)
Other services	115,340	113,363	150,082
Machinery, equipment, furniture, recycling	62,028	72,257	74,544
Chemicals, rubber, plastics	29,537	28,830	37,184
Banks	43,132	39,819	35,116
Construction	56,560	95,217	31,743
Publishing, printing	12,135	7,779	16,827
Metals & metal products	10,465	12,201	15,560
Transport	13,999	12,231	14,469
Wholesale & retail trade	6,942	15,678	13,052
Gas, water, electricity	7,982	11,053	6,293
Education, health	1,307	3,989	6,292
Primary sector	4,523	7,147	5,512
Insurance companies	3,167	6,723	5,036
Food, beverages, tobacco	2,859	6,353	3,522
Hotels & restaurants	3,530	5,829	2,572
Wood, cork, paper	1,693	2,015	1,985
Textiles, wearing apparel, leather	2,026	1,812	1,711
Post and telecommunications	2,581	13,304	1,279
Public administration and defence	3	0	27

Target locations by volume of deals

Target country	H1 2017	H2 2017	H1 2018
China	7,352	8,515	7,152
Taiwan	360	325	379
Hong Kong	307	325	313
Macao	0	5	6

Target locations by value of deals

Target country	H1 2017 (mil USD)	H2 2017 (mil USD)	H1 2018 (mil USD)
China	360,347	428,057	388,875
Hong Kong	13,267	23,589	21,701
Taiwan	10,544	11,590	19,750
Macao	0	589	0

Ant Financial drove H1 2018 PE and VC value to a record high

There were 1,416 private equity and venture capital (PE and VC) investments in companies based in Greater China and altogether these deals were worth USD 69,570 million, or 18 per cent and 16 per cent of the region's M&A volume and value, respectively, in H1 2018.

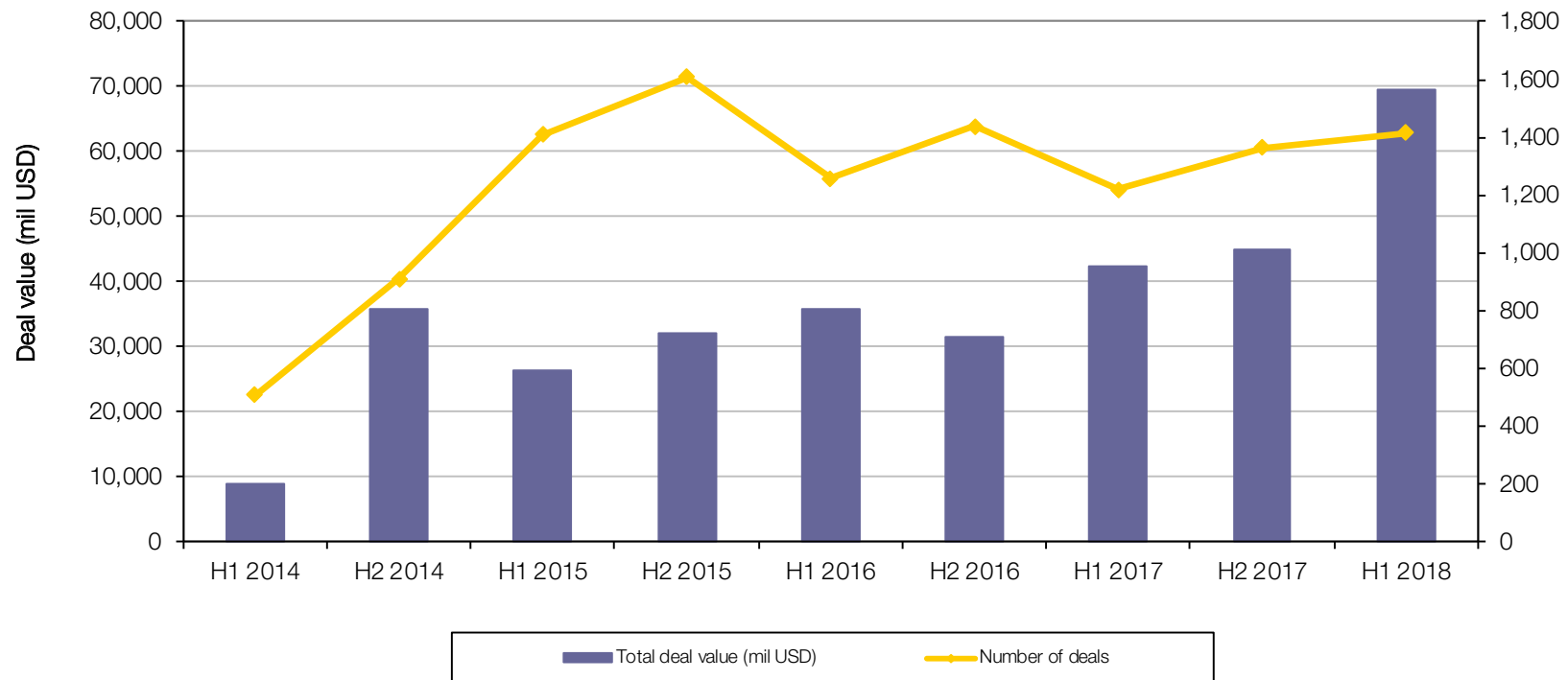
Ant Financial's USD 14,000 million funding round, which included participation from the likes of Carlyle, Warburg Pincus and BlackRock and is widely expected to lead to an initial public offering, and 12 other financial sponsor-backed deals worth USD 1,000 million or more in H1 2018 drove overall PE and VC value to a record high, while investor appetite remained unabated, with volume increasing for the second consecutive half-yearly period to the third-highest on record (after H2 2015: 1,608 deals; H2 2016: 1,439).

The top 20 deals in H1 2018 targeted companies operating in categories such as FinTech, green energy, artificial intelligence and Internet technology for platforms such as truck-hailing or video-sharing.

Private equity deals by volume and value

Announced date	No of deals	Total deal value (mil USD)
H1 2018	1,416	69,570
H2 2017	1,363	45,069
H1 2017	1,218	42,378
H2 2016	1,439	31,576
H1 2016	1,258	35,845
H2 2015	1,608	32,074
H1 2015	1,408	26,531
H2 2014	910	35,892
H1 2014	509	8,865

Private equity deals by volume and value



Top 20 private equity deals by value with Greater China targets

	Deal value (mil USD)	Deal type	Target	Target country	Fund Manager/General Partner	Announced date
1.	14,000	Minority stake	Ant Financial Services Group	CN	Carlyle Group LP; Warburg Pincus LLC; Silver Lake Technology Management LLC; T Rowe Price Associates Inc.; Sequoia Capital Operations LLC; BlackRock Inc.; Canada Pension Plan Investment Board; Discovery Capital Management Corporation; Baillie Gifford & Co Ltd; Tiger Global Management LLC; General Atlantic LLC; Primavera Capital Management Ltd; Janchor Partners Ltd	29/05/2018
2.	3,290	Acquisition 94%	Semiconductor Manufacturing South China Corporation	CN	Sino-IC Capital Ltd; S&T Venture Capital (Group) Co., Ltd	30/01/2018
3.	3,000	Minority stake	Shanghai Xunmeng Information Technology Co., Ltd	CN	Sequoia Capital Operations LLC	11/04/2018
4.	2,500	Minority stake	JD Logistics	CN	Sequoia Capital Operations LLC; China Life Insurance Co., Ltd; Tencent Holdings Ltd; ICBC International Holdings Ltd; Hillhouse Capital Management Ltd; China Structural Reform Fund Corporation Ltd; China Merchants Venture Investment Management Co., Ltd; China Development Bank Capital Corporation Ltd	14/02/2018
5.	2,065	Minority stake 34%	Beijing Easyhome E-Commerce Co., Ltd	CN	Sequoia Capital Operations LLC; Taikang Asset Management Co., Ltd; China Equity International Holding Co., Ltd; BHG Long Hills Capital; Yunfeng Capital Ltd; Noah Holdings Ltd; JD Capital Co., Ltd; Harvest Capital Co., Ltd; Alibaba Capital Partners; Boyu Capital Management Ltd; Wuhan Desheng Borui Venture Capital Co., Ltd	11/02/2018
6.	1,900	Minority stake	Manbang Group	CN	Sequoia Capital Operations LLC; Farallon Capital Management LLC; Tencent Holdings Ltd; Ward Ferry Management Ltd; Baillie Gifford & Co Ltd; GSR Ventures Management Co., Ltd; GGV Management LLC; China Reform Fund Management Co., Ltd; Lightspeed China Partners; Softbank Group Corporation; Google Inc.; Hillhouse Capital Management Ltd; Shanghai Super Star Venture Capital Partners (LP); Eastern Bell Venture Capital; Yangguang Ronghui Capital Investment Management Co., Ltd; Yuansheng Capital; Xianghe Capital; K11 Investment; ABC International Assets Management Co., Ltd	24/04/2018
7.	1,900	Acquisition 58%	Du Xiaoman Financial	CN	Carlyle Group LP; Tarrant Capital IP LLC	28/04/2018
8.	1,514	Minority stake 46%	Yungu (Gu'an) Technology Co., Ltd	CN	Chinity Capital Management Co., Ltd	17/03/2018
9.	1,220	Minority stake 20%	Beijing SenseTime Technology Development Co., Ltd	CN	Fidelity Investments; Silver Lake Technology Management LLC; Qualcomm Ventures; Bank of China Group Investment Ltd; Shenzhen Capital Group Co., Ltd; Hopu Investment Management Co., Ltd; Alibaba Capital Partners; All-Stars Investment Ltd; Tiger Global Management LLC; Shanghai Free Trade Zone Equity Fund Management Co., Ltd; Poly Capital Management Co., Ltd; Beyond Ventures	09/04/2018
10.	1,150	Minority stake	Ping An Medical and Healthcare Management Co., Ltd	CN	IDG Ventures Management Company LLC; SBI Holdings Inc.; Softbank Group Corporation	02/02/2018

Top 20 private equity deals by value with Greater China targets (Cont'd)

	Deal value (mil USD)	Deal type	Target	Target country	Fund Manager/General Partner	Announced date
11.	1,104	Capital Increase	Shenwu Technology Group Co., Ltd	CN	GSR Ventures Management Co., Ltd	30/04/2018
12.	1,035	Minority stake 5% to 16%	Shanghai AJ Group Co., Ltd	CN	Guangzhou Industrial Investment Fund Management Co., Ltd	01/02/2018
13.	1,000	Minority stake 6%	Beijing Kuaishou Technology Co., Ltd	CN	Sequoia Capital Operations LLC; Tencent Holdings Ltd	25/01/2018
14.	820	Minority stake 16%	Ubtech Robotics Corporation	CN	China Minsheng Banking Co., Ltd; Green Pine Capital Partners Co., Ltd; ICBC International Holdings Ltd; Minsheng Securities Investment Co., Ltd; CreditEase Corporation; China South Industries Asset Management Co., Ltd; Shenzhen Timesbole Venture Capital Investment Management Co., Ltd; Shenzhen Maigao Financial Service Co., Ltd; CDH Investment Advisory Pte Ltd; CGN Private Equity Fund Management Co., Ltd; Haikun Capital; Yuanyuan Investment; Yaolai Investment; Zhejiang Innovative and Developing Capital Management Co.,Ltd	23/01/2018
15.	818	Minority stake	Chehaoduo Old Motor Vehicle Brokers (Beijing) Co., Ltd	CN	Sequoia Capital Operations LLC; IDG Ventures Management Company LLC; Capital Today China Growth GenPar Ltd; Fountainvest Advisors Ltd; DST Global Advisors Ltd; Beijing Shougang Funds Co., Ltd; Yunfeng Capital Ltd; H Capital LLC; Beijing Taihe Dingcheng Investment Consulting Co., Ltd; Shanxing Investment Management (Beijing) Co., Ltd; Tianjin ICBC International Capital Management Partnership Enterprise (LP)	01/03/2018
16.	797	Minority stake	Farasis Technology (Ganzhou) Co., Ltd	CN	Industrial Bank Co., Ltd; China Venture Capital Co., Ltd; Dongxing Capital Investment Management Co., Ltd	08/02/2018
17.	797	Minority stake	Shanghai Youxia Automobile Co., Ltd	CN	Shenzhen Qianhai Wutong Investment Co., Ltd; China Fortune Ocean Equity Investment Fund Co., Ltd; Zhejiang Huzhou Wuxing Nantaihu Construction Investment Co., Ltd	31/03/2018
18.	775	IBO 51%	Arm Technology (China) Co., Ltd	CN	Hopu Investment Management Co., Ltd	05/06/2018
19.	694	IBO 100%	DSM Sinochem Pharmaceuticals Ltd	HK	Bain Capital LP	29/06/2018
20.	650	Minority stake	Ping An OneConnect Financial Technology Co., Ltd	CN	IDG Ventures Management Company LLC; SBI Holdings Inc.; Softbank Group Corporation	02/02/2018

Private equity sectors by volume of deals

Target sector	H1 2017	H2 2017	H1 2018
Other services	729	755	882
Publishing, printing	180	188	168
Machinery, equipment, furniture, recycling	128	154	153
Education, health	39	76	60
Wholesale & retail trade	28	58	35
Chemicals, rubber, plastics	32	34	32
Hotels & restaurants	11	17	20
Construction	12	11	10
Food, beverages, tobacco	9	6	8
Transport	8	6	6
Metals & metal products	7	13	6
Primary sector	4	3	4
Insurance companies	6	1	3
Textiles, wearing apparel, leather	5	1	3
Post and telecommunications	0	3	1
Wood, cork, paper	2	0	1
Gas, water, electricity	5	4	0
Public administration and defence	0	0	0
Banks	0	0	0

Private equity sectors by value of deals

Target sector	H1 2017 (mil USD)	H2 2017 (mil USD)	H1 2018 (mil USD)
Other services	13,496	17,072	41,515
Machinery, equipment, furniture, recycling	11,822	9,098	13,665
Publishing, printing	5,025	2,151	4,764
Construction	6,899	9,527	3,233
Chemicals, rubber, plastics	999	1,992	1,309
Metals & metal products	77	2,298	1,159
Education, health	209	888	842
Hotels & restaurants	2,098	324	626
Wholesale & retail trade	177	749	546
Textiles, wearing apparel, leather	18	0	520
Primary sector	35	7	313
Transport	895	164	296
Post and telecommunications	0	82	75
Food, beverages, tobacco	106	0	56
Wood, cork, paper	0	0	0
Public administration and defence	0	0	0
Gas, water, electricity	309	144	0
Banks	0	0	0
Insurance companies	12	0	0

Target locations by volume of private equity deals

Target country	H1 2017	H2 2017	H1 2018
China	1,183	1,342	1,387
Hong Kong	19	16	18
Taiwan	16	5	11
Macao	0	0	0

Target locations by value of private equity deals

Target country	H1 2017 (mil USD)	H2 2017 (mil USD)	H1 2018 (mil USD)
China	40,037	44,558	67,045
Hong Kong	2,336	463	2,084
Taiwan	5	48	442
Macao	0	0	0

Notes to editors

Activity is based on the activity of the target company.

'Greater China targets' refers to target companies from China, Hong Kong, Macau and Taiwan.

Deal status is announced within the time period.

The sector breakdown uses targets' activities as defined to be 'Major Sectors' by Zephyr.

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

Current deal status excludes rumoured, withdrawn and postponed deals.

The date range for 2018 is from 01/01/2018 to 30/06/2018 inclusive.