



China Media Quarterly Update

1st Quarter 2010

Quarter in Review

- China Media M&A and investment activity continue to thrive in the first quarter of 2010, with more than twice as many M&A and Private Placement deals (42 compared to 17 deals) compared to the first quarter of 2009
- The Internet sectors (Ecommerce / Search / Portals) saw a high level of activity with 19 deals done in the first quarter of 2010
- In the traditional media sector, private placement activity in the advertising sector recovered with 4 deals done in the first quarter of 2010
- Media companies across a range of sectors, including online gaming, Internet and public relations, sought IPO fund raisings on the Growth Enterprise Market (GEM) of the Shenzhen Stock Exchange

Sector Highlights

- Blue Focus Communication Group, a Beijing-based public relations company, issued its IPO on the GEM board of the Shenzhen Stock Exchange and raised \$91.3 million. It's the first public relations company listed in the China domestic stock exchange
- 360Buy, an online shopping mall focusing on 3C products, raised \$150.0 million through its Series C round of funding from Tiger Global Management. This is the largest VC investment in China's Internet market since the outbreak of the global financial crisis
- Happi Go, a TV shopping subsidiary of Hunan Satellite TV, obtained approximately \$48.5 million through its series A fund raising
- Qiyi.com, an online video subsidiary of Baidu.com (NASDAQ: BIDU), obtained \$50.0 million from the Media and Internet sector focused private equity fund - Providence Equity
- Shenzhen Zhongqingbaowang Network Technology, a Shenzhen based online MMORPG developer and operator, issued its IPO on the GEM board of the Shenzhen Stock Exchange and raised \$109.8 million. This is the first online gaming company listed in the China domestic stock exchange

Hong Kong

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

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

Shanghai

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

About Cowen Latitude Asia

Cowen Latitude Asia, the wholly-owned Asia subsidiary of Cowen Group, Inc. (NASDAQ: COWN), is one of Asia's leading growth sector focused investment banks providing directly, or through its affiliates, a full range of capital markets, M&A advisory and private placement services. The Firm specializes in the growth sectors of Alternative Energy, Consumer, Health Care, Industrial, Media, Technology and Telecom.

Traditional Media

Selected M&A/Private Placements in Q1 2010

Date Announced	Transaction Type	Target Name	Acquirer/Investor Name	Transaction Value (US\$ MM)	%	Target Description
Advertising						
7-Jan-2010	M & A	Suntrend Advertising	Dentsu (TSE:4324)	53.7	40%	Engages in the marketing activities including distributing samples for clients and with a presence in more than 500 cities
13-Jan-2010	Private Placement	City Media	Northern Light Venture Capital	30.0	NA	Provides advertising services, mainly in the lifts of residential communities
13-Jan-2010	Private Placement	China MediaExpress (AMEX:CCME)	Starr International Company	30.0	NA	Provides television advertising services on inter-city express buses
3-Feb-2010	Private Placement	Inbank Media	China Merchants China Direct Investments	14.7	NA	Provides video advertising services in commercial bank branches
22-Feb-2010	Private Placement	Yoyi Media	Steamboat, Gobi Partners	12.0	NA	Offers online advertising services
Newspaper / Magazine / Book Publishing						
10-Feb-2010	M & A	JingHua Culture Broadcast	ChinaVision Media Group (SEHK:1060)	28.2	NA	Owns, operates, and publishes <i>Beijing Times</i>
Production and Broadcasting						
4-Jan-2010	Private Placement	China Star Entertainment (SEHK:326)	NA	9.8	20%	Produces and distributes films and television drama series
27-Jan-2010	Private Placement	China Chief Cable TV Group (SEHK:8153)	NA	32.9	NA	Provides pre-mastering and other media services in Hong Kong
10-Feb-2010	Private Placement	Orange Sky Golden Harvest Entertainment (SEHK:1132)	NA	42.4	NA	Operates Film and Video Distribution, Film Exhibition, and Others
3-Mar-2010	Private Placement	Qin Jia Yuan Media Services (SEHK:2366)	NA	6.9	NA	Provides media services for TV drama series
11-Mar-2010	M & A	JiajiaKT	Guangdong Alpha Animation and Culture (SZSE:002292)	13.2	60%	Operates the Guangdong Jiajia Cartoon satellite TV channel in Guangdong and Guangxi provinces

Dentsu Inc. (TSE:4324), the Japanese promotional and communication services provider acquired 40% shares of Suntrend Advertising Co., a Chinese marketing and advertising firm that services multinational corporations such as Nike and PepsiCo, for a total consideration of \$53.7 million.

Inbank Media, an advertising company operating a video displays network in commercial bank branches, obtained \$14.7 million from China Merchants China Direct Investments through its Series B round of financing. The major video display networks are located in Beijing, Shanghai and Guangzhou, and will soon extend into ten other major cities including Jinan, Qingdao, Shenzhen, Chengdu and Suzhou.

Selected Capital Markets Transactions in Q1 2010

Pricing Date	Transaction Type	Exchange	Company Name	Sub-Sector	Amount (US\$ MM)	Final Pricing	Premium/Discount to Market %	Price as of Mar 31	Company Description
26-Feb-2010	IPO	Shenzhen ChiNext	BlueFocus Communication Group (SZSE:300058)	Public Relations	91.3	5.0	NA	7.6	Provides professional public relations services high-tech, real estate, finance, pharmaceutical, and fast-consume industries

Blue Focus Communication Group LLC, a Beijing-based public relations company issued its IPO on the Growth Enterprise Market (GEM) of the Shenzhen Stock Exchange and raised \$91.3 million. The company services high-tech, real estate, finance, pharmaceutical, and consumer goods clients with Lenovo as its largest customer.

New Media

Selected M&A/Private Placements in Q1 2010

Date Announced	Transaction Type	Target Name	Acquirer/Investor Name	Transaction Value (US\$ MM)	%	Target Description
Ecommerce / Search / Portals						
5-Jan-2010	Private Placement	HengZhi	NA	NA	NA	Operates an online business professional network
6-Jan-2010	M & A	263.com (Net263)	Ganji.com	>1.5	100%	Provides data, audio and video multimedia communication service for both business and individual Internet users
6-Jan-2010	Private Placement	Masamaso.com	Sequoia China	8.0	NA	Male apparel manufacturer and online retailer with Spanish design
13-Jan-2010	Private Placement	Qihoo.com	Trustbridge Partners	20.0	NA	Provides the qihoo.com portal search engine and qikoo.com entertainment and life style search engine, having the proprietary technology PeopleRank, founded in Sep 2005 and based in Beijing
25-Jan-2010	Private Placement	Jumbomart.cn	Alibaba Group Holding Limited, Investment Arm	NA	NA	A B2C website focused on corporate bulk purchase
26-Jan-2010	Private Placement	sootoo.com	NA	0.4	NA	SNS provider
26-Jan-2010	Private Placement	360buy.com	Tiger Global Management	150.0	NA	Operates as an online shopping mall that markets and distributes communication, computer and consumer electronics
28-Jan-2010	M & A	Efu.com.cn	Jiang Hao Kun Yuan VC	2.0	30%	Apparel portal, SNS and forum
31-Jan-2010	M & A	Allyes Information Technology	NA	13.3	NA	An online media agency, provides interactive marketing solutions
11-Feb-2010	M & A	Readnovel.com	Shanda Literature Limited ("SDL")	NA	100%	One of the largest novel reading website in China
22-Feb-2010	Private Placement	Goooose.com	NA	0.7	NA	Witkey website founded in May 2009 and based in Beijing
26-Feb-2010	Private Placement	Xianguo.com	NA	1.0	NA	Operates as a RSS reader and feed sharing platform
5-Mar-2010	Private Placement	91huayi.com	Sequoia China	4.4	NA	Provides online and off-line education services for the China healthcare industry
10-Mar-2010	M & A	QianXun.com	360buy.com	4.0	100%	A B2C e-commerce site, engages in the online sale of clothes and accessories that are from overseas and can not be found in off-line distribution channels
10-Mar-2010	Private Placement	Life Media	Mizuho Financial Group, Mitsui Ventures	NA	NA	Operates the 100du.tv, the largest lifestyle search engine in China, focusing on entertainment and shopping in the city
27-Mar-2010	M & A	Mayi.com	Mezabay International, Inc. (OTCBB:MZBY)	NA	51%	Online video chatting and friend making website
29-Mar-2010	Private Placement	Yesmywine.com Yesmytea.com	DCM	3.0	NA	Operates directly selling platforms through telephone, email, magazines and two Ecommerce websites, focused on wine import and high quality Chinese tea
31-Mar-2010	Private Placement	Happi Go	Hony Capital, CITIC, Sequoia	48.5	NA	TV shopping and ecommerce subsidiary of Hunan Satellite TV, based in Beijing and Hunan
31-Mar-2010	M & A	xxsy.net	Shanda Literature Limited ("SDL")	NA	100%	Online reading website founded in 2001 and originally focused on female readers and now offers a variety of reading materials
Online Entertainment						
6-Jan-2010	Private Placement	kai-ying.com	KPCB	NA	NA	SNS game developer based in Shanghai and founded in 2008
8-Jan-2010	M & A	Shanghai Hongli Digital Technology (Goldcool Games)	Shanda Games Limited (NasdaqGS:GAME)	NA	100%	Develops and operates animation and online games. Goldcool Games is a two dimensional in-house developed Chinese-style MMORPG
18-Jan-2010	Private Placement	CITVC Netempire Entertainment	NA	19.0	NA	Online game operator and developer based in Beijing and founded in 2005
20-Jan-2010	Private Placement	Shanghai Storm Information Technology	Fortune Venture	20.0	NA	Develops and operates online games in China
28-Jan-2010	M & A	Openv.tv	China Digital TV (NYSE:STV)	10.0	NA	Operates as a Chinese online video company, a subsidiary of Autonomy Corp. plc. (LSE:AU)
26-Feb-2010	Private Placement	Qiyi.com	Providence Equity Partners	50.0	NA	A subsidiary of Baidu, provides high-resolution online video
28-Feb-2010	Private Placement	7road.com	Shenzhen Capital Group	NA	NA	Webpage game developer founded in Nov 2007 and based in Shenzhen
17-Mar-2010	Private Placement	Umiwi.com	NA	NA	NA	Online video provider focusing on the government and the well-educated community
Wireless Value-Added Services ("WVAS")						
8-Jan-2010	M & A	Hutchison Telecommunications International (SEHK:2332)	Hutchison Whampoa (SEHK:13)	542.4	40%	Offers person-to-person mobile video calling, streaming/downloading of music and video clips, and information and entertainment services
13-Jan-2010	M & A	Letang Game	Linktone (NasdaqGM:LTON)	9.2	50%	Develops mobile and PC online games
26-Jan-2010	M & A	Beijing Leimone Shengtong Culture Development Company	ZOOM Technologies (NasdaqCM:ZOOM)	7.2	100%	A handset mobile video and value-added service company
31-Mar-2010	Private Placement	UCWEB Technologies Ltd	GGV, Nokia Growth Partners	NA	NA	Mobile phone software and service provider with its key product UCWEB browser, founded in Aug 2004, based in Guangzhou

360Buy, an online shopping mall focusing on 3C products (Communication, Computer and Consumer) that markets and distributes communication, computer and consumer electronics, obtained \$150.0 million through its Series C round of funding from Tiger Global Management. This is the largest venture capital investment in China's Internet market since the outbreak of the global financial crisis.

Happi Go, a TV shopping and Ecommerce service provider, obtained approximately \$48.5 million from Hony Capital, CITIC Private Equity and Sequoia Capital China through its series A fund raising. Happi Go is a subsidiary of Hunan Satellite TV.

Qiyi.com, an online video subsidiary of Baidu.com (NASDAQ: BIDU), obtained \$50.0 million from Providence Equity Partners through its Series A fund raising. The management of Baidu.com expects that cooperation with the sector-focused private equity fund will bring Qiyi.com more innovated products in the copyright online video content distribution business.

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25-Jan-2010	IPO	Shenzhen ChiNext	Shenzhen Zhongqingbaowang Network Technology (SZSE:300052)	Online Gaming	109.8	4.4	NA	6.1	Online MMORPG developer and operator based in Shenzhen, founded in 2003
3-Mar-2010	FO	NASDAQ	Ctrip.com International	Ecommerce	236.0	36.0	(1.2%)	39.2	Provides travel services for hotel accommodations, airline tickets, and packaged tours.
5-Mar-2010	IPO	Shenzhen ChiNext	East Money Information	Internet Portal	208.0	6.0	NA	12.8	Owns and operates a financial securities Website which offers integrated financial information for investors

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

Shenzhen Zhongqingbaowang Network Technology, a Shenzhen based online MMORPG developer and operator, issued its IPO on the Growth Enterprise Market (GEM) of the Shenzhen Stock Exchange and raised \$109.8 million. It's the first online gaming company listed in the China domestic stock exchange.

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