

China Technology Quarterly Update

3rd Quarter 2010

Quarter in Review

- In the 3rd quarter of 2010, China Hardware & Equipment companies raised over US\$3.0 billion through 11 IPOs and 5 follow-ons. The majority amount, over 93.0%, was raised domestically through the Shanghai Stock Exchange and the Shenzhen Stock Exchange. Most of the M&A and placement activities involved domestic or Taiwanese acquirer's investing in their subsidiaries or consolidating their positions
- China software & services companies raised over US\$7.67 billion through 10 IPOs and 3 follow-ons. Only 9.3% of this amount was raised domestically

Sector Highlights

- Taiwan Semiconductor Manufacturing Co Ltd, the largest independent semiconductor foundry, received the approval from Taiwan's government to upgrade its chip plant in Shanghai with further capital injection of US\$225 million
- Notebook contract manufacturer Pegatron Corp announced the plan to acquire Ri-Teng Computer for no more than US\$220 million
- China Mobile Ltd, the largest mobile phone operator in China, raised over US\$6.5 billion through its follow-on on the Hong Kong Stock Exchange. The shares were priced at approximately 12 times 2010 forecast net income
- TCL Corp, a major Chinese electronics manufacturer, raised over US\$671 million through its follow-on on the Shenzhen Stock Exchange. The shares were priced at approximately 43 times 2010 forecast net income
- Atheros Communications purchased the VC backed IC company Oplan Technologies for US\$72 million
- Hong Kong listed AAC Acoustic Technologies raised over US\$83 million in a follow-on offering.

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.

Hardware & Equipment

Selected M&A/Private Placements in Q3 2010

Date Announced	Transaction Type	Target Name	Acquirer/Investor Name	Transaction Value (US\$ MM)	%	Target Description
Semiconductor						
09/14	Private Placement	Heng Xin China Holdings Ltd	NA	19.3	NA	Provides integrated circuits and systems
08/16	Private Placement	Semiconductor Manufacturing International Corp	Datang Telecom Technology Holding Co Ltd	102.2	NA	Designs, manufactures and trades integrated circuits
08/10	Investment	TSMC China Company Ltd	Taiwan Semiconductor Manufacturing Co Ltd	225.0	NA	Manufactures and distributes integrated circuits
08/08	M&A	Pericom Technology, Inc	Pericom Semiconductor Corp	35.4	59.7	Engages in design and development of integrated circuits
07/19	M&A	Opulan Technologies Corp	Atheros Communications Inc	72.0	100.0	Designs, develops and markets application specific signal processor and application-specific ICs for OEMs in the telecommunications sector
Network Equipment						
09/22	Private Placement	Enviro Energy International Holdings Ltd	NA	20.7	NA	Provides network infrastructure solutions and services
09/20	M&A	Tai-I International Holdings Ltd	NA	9.9	32.8	Manufactures and sells bare copper wires and magnet wires
09/16	Private Placement	Solartech International Holdings Ltd	NA	18.5	NA	Manufactures and trades cable and wire products
08/25	Private Placement	Shanghai Highly (Group) Co Ltd	Shanghai Electric Group Co Ltd	74.4	NA	Manufactures and sells electronic machine and equipment
07/24	Private Placement	Hongfujin Precision Electronics (Zhengzhou) Co Ltd	Best Behaviour Holdings Ltd	20.0	100.0	Offer 3G and new generation cell phones, base station systems, core network equipment and metal and non-metal moulds
PCs, Terminals & Electronics						
09/09	Private Placement	Xian Walsin United Technology Co Ltd	Walsin Lihwa Holdings Ltd	30.0	NA	Manufactures electronic devices and modules
09/08	M&A	Qiao Xing Mobile Communication Co Ltd	Qiao Xing Universal Resources Inc	82.3	38.9	Develops, manufactures, markets and sells mobile handsets
08/25	M&A	Ri-Teng Computer (Shanghai) Ltd and Ri-Kuei Precision (Shanghai) Ltd	AsusPower Investment Ltd.; Asustek Investment Ltd.; ASUS Investment Co Ltd	220.0	100.0	Produces metal mechanical components for notebook, tablet PC, e-reader, desktop computer and monitor brands
08/24	Private Placement	LUCOM Display Technology (KunShan) Ltd	Compal International Holding Co Ltd	7.3	NA	Manufactures and markets notebook components
08/24	Private Placement	Dongguan Walsin Technology Electronics Co Ltd	Walsin Technology Corp	5.0	NA	Manufactures and markets ceramic capacitors, chip resistor, RF devices and high frequency inductors
08/11	Private Placement	Dongguan Masstop Liquid Crystal Display Co Ltd	Wintek Corp	60.0	NA	Manufactures and sells liquid crystal modules (LCM) products
08/04	Private Placement	Suncorp Technologies Ltd	NA	385.2	NA	Designs, manufactures and sells telephone and related products
07/29	Private Placement	eBen.cn	Legend Capital; TusPark Capital	8.3	NA	A tablet PC vendor
07/19	Private Placement	Siliconware Technology (Suzhou) Ltd	Siliconware Precision Industries Co Ltd	15.0	NA	Manufactures and processes module assembly and testing, flash memory card and related products

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

Selected Capital Markets Transactions in Q3 2010

Pricing Date	Transaction Type	Exchange	Company Name	Sub-Sector	Amount (US\$ MM)	Final Pricing	Premium/Discount to Market ⁽¹⁾	Price as of Sep 30	Market Cap as of Sep 30 (US\$ MM)	Company Description
09/30	IPO	Chinext	Shenzhen Yitao Intelligent Control Co Ltd	PCs, Terminals & Electronics	64.02	5.37	NA	6.61	304.06	Engages in the research, development, production and distribution of electronic intelligent controllers
09/17	IPO	Chinext	Suzhou Jinfu New Material Co Ltd	Semiconductor	129.83	5.22	NA	5.57	572.8	Engages in the production and distribution of photoelectrical display thin film components
09/14	IPO	Shenzhen	Nantong Jianghai Capacitor Co Ltd	PCs, Terminals & Electronics	121.30	3.06	NA	3.58	485.19	Engages in the research, development and production of aluminum electrolytic capacitor
09/09	Follow-on	Hong Kong	Comtec Solar Technology Co Ltd	Semiconductor	29.60	0.29	3.91	0.32	329.60	Engages in manufacture and sales of solar wafers, semiconductors and related products
09/08	Follow-on	Hong Kong	AAC Acoustic Technologies Holdings Inc	PCs, Terminals & Electronics	83.42	1.85	2.93	2.18	2,681.40	Engages in the manufacture and sales of acoustic products, research and development
08/20	IPO	Chinext	Shenzhen Evenwin Precision Technology Co Ltd	PCs, Terminals & Electronics	121.91	5.67	NA	7.11	611.88	Engages in the development, design, production and distribution of precision electronic parts and components
08/17	IPO	Shenzhen	Guangzhou Haige Communications Group Inc	Network Equipment	475.28	5.67	NA	6.00	1,980.49	Engages in the research, development, manufacture, and service of radio communication, network communication, and mobile position products
08/13	IPO	Chinext	Zhejiang Sunflower Light Energy Science & Technology Co Ltd	Semiconductor	126.49	2.51	NA	3.39	1,727.56	Engages in the research, development, manufacture and distribution of crystalline silicon battery chips and components
08/03	IPO	Shenzhen	Wus Printed Circuit (Kunshan) Co Ltd	PCs, Terminals & Electronics	188.92	2.39	NA	2.49	1,724.91	Engages in the manufacture, distribution and after-sale services of printed circuit boards (PCBs)
08/02	Follow-on	Shenzhen	TCL Corp	PCs, Terminals & Electronics	671.64	0.52	(13.28)	0.56	2,373.13	Engages in the design, manufacture and marketing of mobile handsets in global markets
07/30	IPO	Chinext	Xiamen Changelight Co Ltd	Semiconductor	195.83	6.72	NA	11.31	1,334.46	Engages in the research, development, manufacture and distribution of semiconductor optoelectronic products
07/08	Follow-on	Hong Kong	Semiconductor Manufacturing International Corp - SMIC	Semiconductor	100.14	0.07	1.92	0.07	1,851.59	A semiconductor foundry, which operates through its subsidiaries
07/23	IPO	Chinext	Chengdu GoldTel Electrical Technology Co Ltd	PCs, Terminals & Electronics	82.62	4.78	NA	10.41	728.63	Engages in design, development and distribution of video and image processing chips, as well as frequency synthesizers
07/12	Follow-on	Shanghai	Founder Technology Group Co Ltd	PCs, Terminals & Electronics	152.13	0.33	92.27	0.64	1,408.79	Engages in research, development, manufacture, distribution and services relating to computer and peripheral products
07/02	IPO	Shenzhen	Wuhan Guide Infrared Co Lt	Semiconductor	287.47	3.88	NA	4.10	1,230.45	Engages in manufacture of infrared thermal cameras
07/02	IPO	Shenzhen	Foshan NationStar Optoelectronics Co Ltd	PCs, Terminals & Electronics	227.03	4.18	NA	4.93	1,058.96	Engages in the research, development, manufacture and distribution of LED components and assemblies

⁽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.

Software & Services

Selected M&A/Private Placements in Q3 2010						
Date Announced	Transaction Type	Target Name	Acquirer/Investor Name	Transaction Value (US\$ MM)	%	Target Description
Software & Solutions						
09/16	Private Placement	Beijing eedoo Technology Ltd	NA	10.0	NA	Designs and develops game console which combines software, hardware, games, contents
08/23	M&A	Comsenz Inc.	Tencent Holdings Ltd	60.0	100.0	Provides bulletin board and social networking software'
08/03	Private Placement	Ultizen Games Ltd	JAFCO Investment (Asia Pacific) Ltd; Hotung Investment Holdings Ltd; Tokio Marine Investment Services Ltd	8.0	NA	Involves in game design, level design, programming, art design, modeling, animation production and testing services
07/29	Private Placement	Superdata Software Technology (Guangzhou) Co Ltd	IDG Capital Partners; Och-Ziff Capital Management Group LLC; CDH China Holdings Management Company Ltd	29.5	NA	Provides SMEs management software
07/06	Private Placement	Jiubang Digital Technology Co Ltd	JAFCO Investment (Asia Pacific) Ltd.; IDG Capital Partners; WI Harper Group; CBC Capital	NA	NA	Owns and operates www.3g.cn, a wireless application protocol portal that offers downloading services
07/01	Private Placement	Geong International Limited	Darwin Strategic Limited, Investment Arm	37.9	NA	Provides enterprise content management (ECM) software and solutions
Telecom Services & Solutions						
08/23	Private Placement	PCCW Ltd	NA	167.2	NA	Provides telecommunications services, and information and communications technologies
07/05	Private Placement	Fujian Newland Computer Co Ltd	China Southern Fund Management Co Ltd; Shanghai Dazheng Investment Ltd; Jiangsu Winfast Investment & Development Co Ltd	64.0	NA	Provides professional services and application products in data identification, electronic payment, mobile communication supporting, and expressway information system markets
IT Services						
09/14	Private Placement	Chinasoft International Ltd	EJF Capital, LLC	29.7	NA	Develops and provides IT system, IT consulting, training, and outsourcing services and sells standalone software and hardware products
08/11	M&A	Great Wall Broadband Network Service Co Ltd	CITIC Networks Co., Ltd.	47.8	50.0	Supplies Web browsing, video on demand, email, e-business, and remote services
08/04	M&A	Finet Group Ltd	MAXX Capital International Ltd	8.0	47.4	Develops, produces and provides financial information services and technology solutions to corporate clients and retail investors

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

Selected Capital Markets Transactions in Q3 2010										
Pricing Date	Transaction Type	Exchange	Company Name	Sub-Sector	Amount (US\$ MM)	Final Pricing	Premium/ (Discount) to Market ⁽¹⁾	Price as of Sep 30	Market Cap as of Sep 30 (US\$ MM)	Company Description
09/30	IPO	NASDAQ	ChinaCache International Holdings Ltd	IT Services	96.88	13.90	NA	27.00	626.67	Provides Internet content and application delivery services in China
09/30	IPO	Chinext	Shenzhen Xinguodu Technology Co Ltd	IT Services	103.60	6.47	NA	6.76	432.43	Engages in the design, research, development, manufacture, distribution and leasing of financial POS software and hardware products
09/16	IPO	NYSE	SouFun Holdings Ltd	IT Services	143.36	42.50	NA	65.18	1,211.04	A real estate website in China
09/08	Follow-on	Hong Kong	China Mobile Ltd	Telecom Services & Solutions	6,555.28	10.15	0.35	10.19	211,824.63	Provides a range of mobile telecommunications services in all 31 provinces, autonomous regions and directly administered municipalities in China
08/31	IPO	Shenzhen	Fujian Rongji Software Co Ltd	Software & Solutions	141.51	5.52	NA	6.16	638.60	Engages in the development and distribution of software products, the integration of computer systems, as well as the provision of related technical supports and services
08/24	IPO	Shenzhen	Net263 Ltd	Telecom Services & Solutions	114.87	3.88	NA	4.95	594.27	A provider of integrated communication services for medium and small-sized enterprises, and business people
08/20	Follow-on	GEM	Jiangsu NandaSoft Technology Co Ltd	Software & Solutions	8.66	0.05	(11.36)	0.06	58.67	Engages in the development, manufacturing and marketing of network security software, Internet application software, educational software and business application software
08/13	IPO	Chinext	Hangzhou Shunwang Technology Co Ltd	Software & Solutions	95.18	6.41	NA	10.17	609.94	Engages in the technology development of Internet entertainment platform, the distribution of Internet entertainment platform related products, as well as the provision of online advertisements and Internet value-added services
08/03	Follow-on	GEM	Soluteck Holdings Ltd	Software & Solutions	4.55	0.04	(14.47)	0.07	45.47	Engages in the provision of implementation and upgrading of self-service ATM systems, related application hardware and software, technical support and consultancy services to the commercial banks and postal bureaus in China
07/30	IPO	Chinext	Leshi Internet Information & Technology Corp, Beijing	IT Services	107.69	4.36	NA	5.55	554.93	Engages in the research, development and application of network video technologies, including Internet video and mobile television
07/20	IPO	NYSE	Camelot Information Systems Inc	IT Services	147.64	11.00	NA	17.57	788.89	A provider of enterprise application services and financial industry IT services in China
07/15	IPO	Chinext	Guangdong Gosun Telecommunications Co Ltd	Telecom Services & Solutions	90.89	5.37	NA	5.14	349.54	A supplier of comprehensive management service system in the operating and maintenance of base communication stations and machine
07/15	IPO	Chinext	YLZ Information Technology Co Ltd	IT Services	64.31	2.96	NA	3.78	324.87	Provides the application solution schemes for the livelihood industry centered on labor and social security, with the main products and service including software, system integration and hardware, technology service outsourcing

⁽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.

The material is a product of the Investment Banking Department of Cowen Latitude Asia (“Cowen Latitude”). Unless otherwise specifically stated, any views or opinions expressed herein are solely those of the Investment Banking Department of Cowen Latitude and may differ from the views and opinions expressed by Cowen Latitude’s other departments or divisions of Cowen Latitude and its affiliates.

This material is provided for information only and is not intended as a recommendation or trading strategy or an offer or solicitation for the purchase or sale of any security or financial instrument. This material is not intended as a recommendation as to the merits of any proxy solicitation with respect to any transaction referenced herein. Cowen Latitude and its affiliates may have positions (long or short), effect transactions or make markets in securities or financial instruments mentioned herein (or options with respect thereto), or provide advice or loans to, or participate in the underwriting or restructuring of the obligations of, issuers mentioned herein.

The information contained herein is as of the date referenced above and Cowen Latitude does not undertake any obligation to update such information. All market prices data and other information are not warranted as to completeness or accuracy and are subject to change without notice. Past performance is not indicative of future results. The investments discussed may fluctuate in price or value. Cowen Latitude Asia is a member of the Securities and Futures Commission. Copyright 2011 Cowen Latitude Asia. All rights reserved.