

AVCJ Private Equity & Venture Forum

Beijing, May 26, 2011

08:15 **Registration and refreshments**

08:50 **Welcome remarks**

THEME 1: THE GLOBAL OUTLOOK FOR PRIVATE EQUITY

Opening keynote address: China PE's role in the global portfolios in 2020

09:00 **John Zhao, Founder & CEO, HONY CAPITAL; Senior VP & Executive Director, LEGEND HOLDINGS**

International PE leaders' panel: The key changes and trends for private equity over the next decade

The GFC overturned the way we invest in every asset class – including private equity. With a halting recovery under way, now is the time to consider the place of PE in the new economic cycle. Has PE any chance to return to, or even surpass, its glory days prior to 2008? Which markets and investors will set the agenda and standards for the industry going forward? Seasoned experts reveal the most important trends for PE in the 2010s.

09:30

- Will investors increase their allocations to PE in the new cycle? What can the industry do to increase its share?
- Which high-growth PE region(s) will win the race? How are Asia and China shaping up in terms of relative attractiveness and performance?
- Who are the new PE LPs? What is their appetite? How can GPs engage with them?
- How does PE's risk/return profile compare now to other asset classes? Has there been a great rerating?
- Are there still liquidity issues in the market, and how is the industry dealing with them?
- How will Dodd-Frank in the US, the EU's new fund laws and other legislative changes affect the PE investment landscape?

Moderated by: David, Xu, Partner, Transactions & Restructuring, KPMG

Grant Kelley, Head of Asia, APOLLO GLOBAL REAL ESTATE MANAGEMENT

Thomas Kubr, Managing Director and the Chief Executive, CAPITAL DYNAMICS

Maarten Ruijs, Managing Partner & Chief Investment Officer, CVC ASIA PACIFIC LIMITED

Henry Chen, Partner, Co-Head of Asia, PERMIRA ADVISERS

10:30 **Networking coffee break**

Keynote address

10:50 **The Lure and the traps of the China market for private equity**

Weijian Shan, Group Chairman & CEO, PAG

LP leaders' panel: How will GP/LP relations and future allocation change?

The past 18 months have seen a flight to quality and a complete re-assessment of fund models, managers and opportunities. Even hot and high-growth markets like Asia have seen greater demands on PE professionals from their LPs. As markets continue to stabilize, the time is right to assess what LPs want in future and what private equity can deliver.

11:20

- What are LPs' hot-button issues about the asset class?
- What has changed in how LPs assess potential GPs?
- Are LPs taking appropriate measures to minimize risk?
- Is the risk/reward ratio in the current GP/LP structure fair and reasonable? Is reform needed?
- What is the role of leverage in performance post-GFC? How should LPs treat it?

Moderated by: Jeremy Coller, CIO, COLLER CAPITAL

Suyi Kim, Managing Director, CPP INVESTMENT BOARD

Sebastiaan C. van den Berg, Managing Director, HARBOURVEST PARTNERS (ASIA) LIMITED

Alice Chow, Managing Director, SQUADRON CAPITAL

12:10 **Fireside chat with industry veterans: Will China become the world's largest PE market by 2020?**

After spending the entire post-war period in the shadow of the West, China has emerged from the

global financial crisis as the hottest investment destination and the new market in everyone's sights, with huge foreign currency reserves and a slate of new national champions hungry for expansion, at home and abroad. Some industry veterans have even claimed that it could have the world's biggest PE market within a decade. Is this feasible? And if so, how would it affect PE worldwide?

- China investment market overview, from Deng's open-market reforms in the 1980s to today:
- What did we learn? What can China learn from the US and European experience?
- How can China avoid the trap that Japan has fallen into post-war?
- What policies does China need – currency convertibility, cross-border capital flows, sector investment liberalization, an open IPO market – to sustain its pace of development?
- How can China develop a quality pool of fund managers, i-bankers and intermediaries?
- Do Taiwan, Hong Kong and Macau offer different ways to play the China theme?

Moderated by: Patricia M. Dinneen, Managing Director, SIGULER GUFF & COMPANY LLC
Frank Tang, CEO, FOUNTAINVEST PARTNERS
Andrew Y. Yan, Managing Partner, SAIF PARTNERS

Networking lunch

13:00



THEME 2: CHINA'S PE FUTURE: MARKET CHARACTERISTICS, M&A DYNAMICS, RMB FUNDS AND SOURCES OF CAPITAL

14:15 Private equity for banking sector: Challenges or chances?

14:45 China M&A in the 2010s: From a destination to an initiator

China is looking increasingly to M&A to capture the energy and resources it needs to fuel its robust economic growth, as well as the management know-how, R&D capabilities and access to foreign markets to move its labour-intensive economy up the value chain. Seasoned deal-makers outline the China M&A story for the coming decade:

- Which sectors will see the most M&A near term?
- What are the best practices to manage stakeholders (regulators, customers, workforce/unions, shareholders, the public) in cross-border M&A?
- What are the PR issues in outbound China M&A? How can these be addressed?
- Which markets/industries will see significant consolidation in a few years?
- Global and local regulatory updates

Moderated by: Matt Fish, Co-founder and Managing Partner, NEW PACIFIC CONSULTING
André Loeseckrug-Pietri, Chairman & Managing Partner, A CAPITAL GROUP

Ben Wootliff, Director - Head of Corporate Investigations, China, CONTROL RISKS

Fredrik Åtting, Senior Partner, EQT PARTNERS

15:30 Networking coffee break

The RMB debate: Is RMB investing essential to success in China?

As most of the world's leading name-brand PE firms either contemplate or create their own RMB funds, LPs and the market as a whole is grappling with the merits and challenges of these new vehicles. The Chinese authorities clearly want to encourage them, and are even prepared to allow global institutions to participate to hasten their maturity. But what are their true merits and benefits for international players?

16:00

- Do foreign-invested RMB funds have a clear and sustainable edge over USD funds?
- Are RMB funds transitional vehicles, or the wave of the future?
- How is the RMB fund market shaping up as QFLPs and RMB f-o-fs emerge? What moves should funds and regulators make to promote its development?
- Does China have an adequate nationwide regulatory platform for RMB PE? Does it need one? What should be done to develop one?
- Do RMB funds really enjoy shorter approval times and access to restricted sectors?
- How important are fund size limitations and convertibility restrictions?
- How do Beijing, Chongqing, Shanghai, Suzhou, Tianjin and other regions compare and incentivise as RMB fund venues?

- What is the true tax situation for foreign-invested RMB funds? Will this attract foreign LPs, or will USD offshore funds keep their edge?
- Can GPs manage the internal conflicts between RMB and USD funds targeting China? What are LPs' views?

Moderated by: Vincent Huang, Partner, PANTHEON

Judy Ye, Director and Head, EMALTERNATIVES ASIA, Managing Partner, YIMEI CAPITAL

York Chen, Founding Managing Partner, ID TECHVENTURES LTD.

Jie Gong, Executive Director, MORGAN STANLEY ALTERNATIVE INVESTMENT PARTNERS

16:45 Executive interview with Kai Fu Lee, Chairman & CEO, Innovation works

Moderated by: Quan Jing, Host & Reporter, SINA

Kai Fu Lee, Chairman & CEO, INNOVATION WORKS

Fundraising: New capital, investors and channels in the next investment cycle

The GFC has introduced new priorities and risk/reward assessments into global investing. Old institutions have lost their power as new ones increasingly set the agenda. And with new investors and new value cases come new strategies to engage them as the 'new normal' takes hold.

- The new investors: SWFs, SOEs, HNWs and local governments – what are their appetites and concerns?
- 17:15**
- What will the future China GP/LP community be like?
 - How should the PE industry in China build efficient fundraising channels facilitated by professional intermediaries?
 - Will the US continue to be the largest source of investment capital? How will global wealth and allocations be redistributed?

Moderated by: Andrew Rickman, Chairman and Co-Founder, ROCKLEY GROUP

Conrad Yan, Partner, CAMPBELL LUTYENS ASIA PACIFIC LIMITED

18:00 Close of conference day 1

18:05 Cocktail reception

Friday, 27 May 2011

THEME 3: NEW SECTORS, INVESTMENT OPPORTUNITIES IN PRC SOES, VALUE-CREATION STRATEGIES, EXIT TACTICS AND LP ENGAGEMENT

08:30 Registration and refreshments

09:00 Opening remarks

Keynote address

09:05 Timothy C. Draper, Founder and Managing Director, DRAPER FISHER JURVETSON

09:30 Exits: New tactics, new channels

China has seen some remarkable exits over the last year, especially on the turbocharged Shenzhen ChiNext growth board. Meanwhile, China listings continue to light up the HKSE. But the market has also been conspicuously volatile, with many key PE-backed listings trimmed or withdrawn. What should GPs and advisors do to exit well in the year ahead?

- Should funds seek to twin-track exits, seeking both trade sales and listings?
- Will the ChiNext suffer from price pressure when the lock-up period starts to expire?
- How do IPOs elsewhere in Asia or the US compare as options? How can GPs and advisors ensure post-listing recognition and performance?
- For tech companies, how do IPO opportunities at the Taiwan Stock Exchange to prospects elsewhere?
- Can foreign-invested RMB funds be "exitable" eventually, given currency-control policies?

Moderated by: Homer Sun, Managing Director, MORGAN STANLEY PRIVATE EQUITY ASIA

Victor Yuan, Director of Financial Entrepreneurs Group, CITI ASIA PACIFIC

Xiaocheng Li, Partner, JUN HE LAW OFFICES

Sherry Xiaowei Yin, Partner, MORRISON & FOERSTER

10:20 VC: Winning strategies for a highly fragmented game

Venture investors no longer rest on their laurels – if they ever did – and most now seek hands-on operational improvements to supplement money and financial wizardry at their investee companies. In China's highly fragmented and regionalised VC game, the GPs who can learn to build and support high-growth companies will be the winners.

- What are China's hottest venture sectors? Biotech? Cleantech? Web 2.0? What are their growth drivers and the key constraints?
- Where will innovation come from? Have IPR issues hindered creativity?
- Examples of value creation strategies
- Risk/return profiles across different deal stages
- Is the VC market too fragmented and over-invested? Will it consolidate in the medium term?

Moderated by: Tony C. Luh, Founding Managing Partner, DFJ DRAGONFUND CHINA
 Andrew Lo, Managing Director, CHINA RENAISSANCE CAPITAL INVESTMENT INC. (CRCI)
 Joe Zhou, Founder and Managing Partner, KEYTONE VENTURES
 Wei Zhou, Partner, KPCB CHINA
 James Mi, Managing Director, LIGHTSPEED VENTURE PARTNERS

11:00 Networking coffee break

11:20 Case study: GP/entrepreneur engagement and value creation

James H. Boettcher, General Partner, FOCUS VENTURES
 Alex Pan, GSR VENTURES
 David Xu, Managing Partner, MINGLY CHINA GROWTH FUND / GOVTOR MINGLY GROWTH VENTURE CAPITAL CO., LTD.

Investing in SOEs: Mission Impossible?

As many leading SOEs busy themselves with plans for overseas expansion and acquisitions, some are sitting waiting for consolidation or outside stimulus. A small select group of China GPs have developed the skill sets and relationships needed to work with and invest with them. The opportunity set is enormous: so are the challenges.

11:50

- What are the key stakeholders to consider when investing an SOE? How can GPs work with them and align them?
- What government policy priorities affect investment into SOEs? How can GPs work with consolidation initiatives and other programs?
- What are the key challenges when an SOE is involved in a transaction?
- SOEs as M&A targets: can SOE takeovers succeed?
- SOEs as co-investment partners
- How enforceable are agreements made with SOEs? How can GPs ensure that they can make the needed operational changes?
- How significant are social and employment issues in SOE deals?
- Lessons learnt from privatisation of national companies and government organisations, in China and overseas

Moderated by: Jim Tsao, Partner, UNITAS CAPITAL
 Shirley Chen, Managing Director, Head of Private Equity Department, CHINA INTERNATIONAL CAPITAL CORPORATION LTD
 Yibing Wu, President, CITIC PRIVATE EQUITY FUNDS MANAGEMENT CO., LTD

LPs' expectations for the new China century

Representative and influential LPs discuss their expectations in the new investment cycle:

12:20

- Are LPs already over-allocating to China? Will they do so even more in future?
- Do LPs, like GPs, need to move into China for strategic reasons while letting profits take a back seat?
- Are the most successful China investors those with the deepest pockets or the tightest fists?
- Does the conventional LP/GP engagement model work in China, given the emergence of new LPs with strategic and other non-profit objectives?
- What is the proper investment period for a China fund? Should fund life cycles be longer or shorter than normal?
- What new information and inputs should LPs ask from their GPs investing in China to assess their current and future performance?
- What returns can LPs expect from China in the current environment?

Moderated by: Yingru Li, Managing Director, PINEBRIDGE INVESTMENTS|

Andress Goh, Managing Director, ALLIANZ CAPITAL PARTNERS GMBH, SINGAPORE BRANCH
Eric I. Chan, Managing Director, Private Equity Group, JP MORGAN ASSET MANAGEMENT
Peng Zhao, Head of China, PARTNERS GROUP
Nick Feng, Chairman and Founding Partner, SMALLVILLE CAPITAL

13:00 AVCJ China Awards Presentation Luncheon

14:00 Close of conference