



BUREAU VAN DIJK

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Greater China M&A Review H1 2019

The following report details mergers and acquisitions activity in Greater China in H1 2019 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 at lowest-recorded value since H2 2014

The volume and value of mergers and acquisitions (M&A) targeting companies based in Greater China, including China, Hong Kong, Macao and Taiwan, declined in H1 2019 to 7,842 deals worth USD 324,201 million. This represents a 21 per cent decrease by volume and a 26 per cent fall by value from 9,906 deals worth USD 437,310 million.

Value is the lowest recorded result since USD 265,722 million-worth of deals were signed off in H2 2014, while volume ended two consecutive half-yearly increases and represented the lowest number of deals announced in Greater China since H1 2016 (7,686 deals).

China dominated the countries by both volume and value accounting for 90 per cent of both total volume and value for Greater China in H1 2019. The country featured in 19 of the top 20 deals by value, including each of the top five deals, the largest of which involved Bank of Beijing raising USD 5,971 million through an issue of preference shares.

Deals by volume and value

Announced date	No of deals	Total deal value (mil USD)
H1 2019	7,842	324,201
H2 2018	9,906	437,310
H1 2018	9,491	446,534
H2 2017	10,278	434,396
H1 2017	8,344	379,042
H2 2016	8,775	411,900
H1 2016	7,686	418,323
H2 2015	8,730	664,830
H1 2015	7,770	574,742



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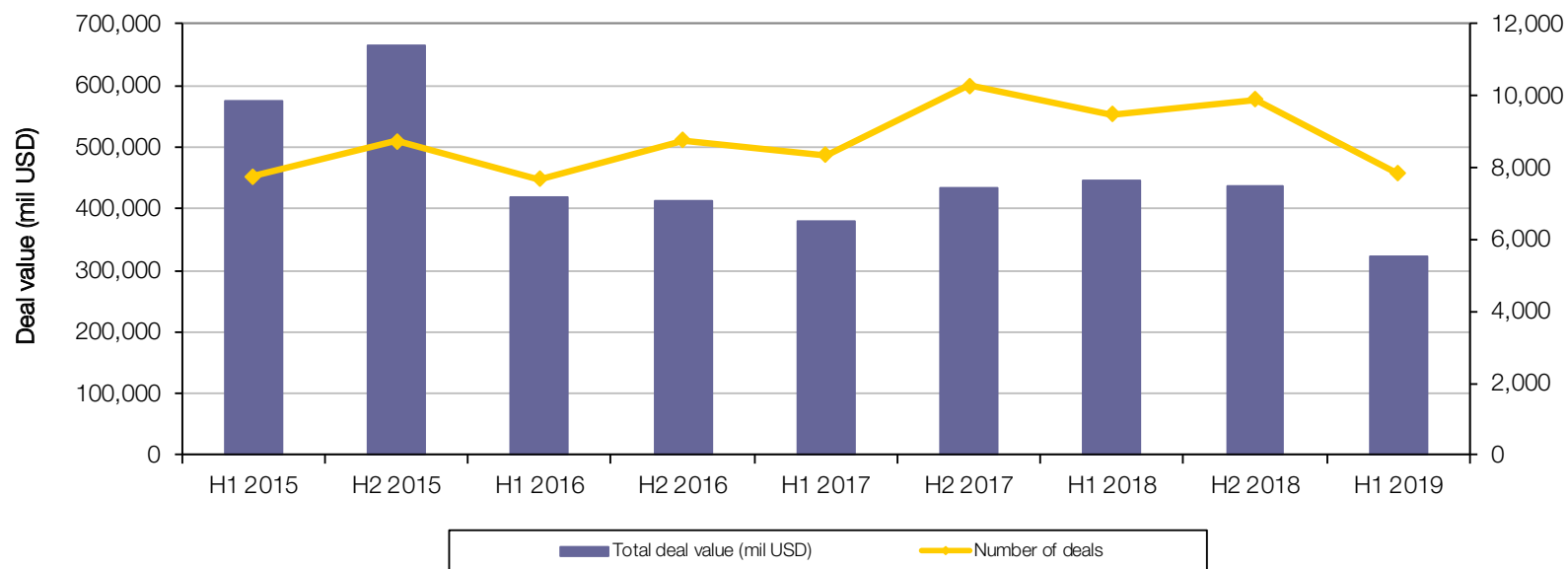


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Deals by volume and value



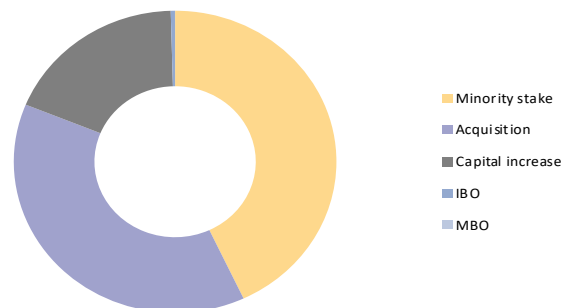
Top 20 deals by value with Greater China targets

	Deal value (mil USD)	Deal type	Target	Target country	Acquiror	Acquiror country	Announced date
1.	5,971	Capital Increase	Bank of Beijing Co., Ltd	CN	Investors		22/03/2019
2.	5,793	Acquisition 100%	Henan Luohe Shuanghui Industrial Group Co., Ltd	CN	Henan Shuanghui Investment and Development Co. Ltd	CN	26/01/2019
3.	5,249	Acquisition 100%	Beijing EasyHome New Retail Chain Group Co., Ltd	CN			24/01/2019
4.	4,192	Minority stake 11%	China State Construction Engineering Corporation Ltd	CN	Anbang Life Insurance Co., Ltd	CN	11/02/2019
5.	3,370	Acquisition 87%	Jiangyin Xingcheng Special Steel Works Co., Ltd	CN	Daye Special Steel Co., Ltd	CN	02/01/2019
6.	2,709	Acquisition 37% to 100% acting in concert	Hopewell Holdings Ltd	HK	Petrus HK Co Ltd	HK	24/02/2019
7.	2,607	Capital increase acquired 34%, to hold 46%	Shengjing Bank Co., Ltd	CN	Future Capital Group Ltd; Evergrande Group (Nanchang) Co., Ltd; Zhengbo Holdings Ltd	VG; CN; VG	20/06/2019
8.	2,607	Acquisition 100%	Beijing Ziguang Liansheng Technology Co., Ltd	CN	Unigroup Guoxin Microelectronics Co., Ltd	CN	03/06/2019
9.	2,536	Acquisition 100%	Xinjiang Production Construction Corps Eighth Division Tianshan Aluminum Industry Co., Ltd	CN	Shimge Pump Industry Group Co., Ltd	CN	27/03/2019
10.	2,384	Capital Increase	Shanxi Gas Group Co., Ltd	CN	China Cinda Asset Management Co., Ltd; The Hong Kong & China Gas Co., Ltd; Shanxi Jincheng Anthracite Coal Mining Group Co., Ltd; Datong Coal Mine Group Co., Ltd; Shanxi Xishan Coal & Electricity Power Co., Ltd; PetroChina Kunlun Gas Co., Ltd; China Development Bank Capital Corporation Ltd; Taiyuan Coal Gasification (Group) Corporation Ltd; China Resources Gas Investment (China) Ltd; Shanxi Lu'an Mining Industry Group Co., Ltd; Yangquan Coal Industry (Group) Co., Ltd; Shanxi Coal Investment Group Co., Ltd; Shanxi Energy Communication Investment Co., Ltd	CN; HK; CN; CN; CN; CN; CN; CN; CN; CN; CN; CN; CN	20/02/2019

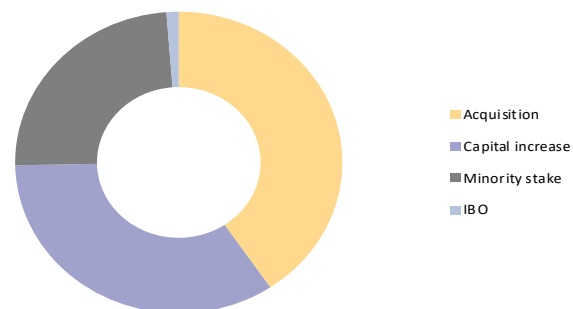
Top 20 deals by value with Greater China targets (Cont'd)

	Deal value (mil USD)	Deal type	Target	Target country	Acquiror	Acquiror country	Announced date
11.	2,250	Acquisition 100%	National Power Investment Group Capital Holdings Co., Ltd	CN	SPIC Dongfang New Energy Corporation	CN	09/04/2019
12.	2,235	Acquisition 73% and 97%	Yingda International Trust Co., Ltd; Yingda Securities Co., Ltd	CN; CN	Shanghai Zhixin Electric Co., Ltd	CN	30/03/2019
13.	2,231	Capital Increase 23%	China Merchants Securities Co., Ltd	CN			12/03/2019
14.	2,196	Acquisition 100%	Oceanwide Construction Holdings Co., Ltd	CN	Sunac Real Estate Group Co., Ltd	CN	21/01/2019
15.	2,161	Minority stake 46%	STO Express Co., Ltd	CN	Shanghai Deyin Derun Industrial Development Co., Ltd; Shanghai Gongzhirun Industrial Development Co., Ltd	CN; CN	08/05/2019
16.	2,029	Capital increase acquired 17%, to hold 40%	Bank of Nanjing Co., Ltd	CN	BNP Paribas SA; Nanjing Zijin Investment Group Co., Ltd; Jiangsu Communications Holding Co., Ltd; China National Tobacco Corporation Jiangsu Company	FR; CN; CN; CN	22/05/2019
17.	2,024	Acquisition to 100%	China Petroleum Finance Co., Ltd	CN	China National Petroleum Corporation; PetroChina Co., Ltd; China National Petroleum Corporation Capital Co., Ltd	CN; CN; CN	13/06/2019
18.	1,964	Acquisition 100%	Guangzhou Securities Co., Ltd	CN	CITIC Securities Co., Ltd	CN	09/01/2019
19.	1,918	Capital Increase 14%	GSC Financial Co., Ltd	CN	Investors		21/01/2019
20.	1,788	Acquisition 100%	Zhejiang Huafon New Materials Co., Ltd	CN	Zhejiang Huafon Spandex Co., Ltd	CN	10/04/2019

Deal types by volume of deals in H1 2019



Deal types by value of deals in H1 2019



Deal types by volume of deals

Deal type	H1 2018	H2 2018	H1 2019
Minority stake	4,028	4,246	3,377
Acquisition	3,559	3,924	2,994
Capital increase	1,870	1,687	1,444
IBO	37	53	33
MBO	2	3	1

Deal types by value of deals

Deal type	H1 2018 (mil USD)	H2 2018 (mil USD)	H1 2019 (mil USD)
Acquisition	163,547	166,271	131,664
Capital increase	149,922	127,521	110,877
Minority stake	129,662	134,100	78,236
IBO	4,243	11,945	3,920

Target sector by volume of deals

Target sector	H1 2018	H2 2018	H1 2019
Other services	3,626	3,572	2,887
Machinery, equipment, furniture, recycling	1,799	1,945	1,646
Chemicals, rubber, plastics	798	873	720
Wholesale & retail trade	571	682	490
Publishing, printing	516	460	332
Construction	485	493	297
Metals & metal products	253	337	229
Education, health	242	190	176
Primary sector	167	188	150
Transport	113	156	149
Gas, water, electricity	178	229	146
Food, beverages, tobacco	159	152	135
Textiles, wearing apparel, leather	68	102	71
Hotels & restaurants	72	68	57
Wood, cork, paper	63	64	48
Banks	44	66	34
Insurance companies	45	48	23
Post and telecommunications	21	31	21
Public administration and defence	4	1	2

Target sector by value of deals

Target sector	H1 2018 (mil USD)	H2 2018 (mil USD)	H1 2019 (mil USD)
Other services	148,168	121,526	95,524
Machinery, equipment, furniture, recycling	79,256	69,543	58,444
Chemicals, rubber, plastics	34,915	39,719	30,974
Construction	36,920	50,677	29,741
Banks	36,858	53,944	19,111
Metals & metal products	14,873	24,018	15,718
Wholesale & retail trade	12,268	12,185	14,609
Food, beverages, tobacco	3,392	4,906	10,797
Transport	14,236	6,615	10,087
Publishing, printing	17,122	11,600	7,482
Gas, water, electricity	7,185	10,543	5,307
Primary sector	5,356	8,085	3,526
Insurance companies	14,747	6,961	3,340
Textiles, wearing apparel, leather	1,635	2,658	2,908
Wood, cork, paper	1,482	1,965	2,033
Education, health	5,508	2,164	1,773
Post and telecommunications	1,296	1,118	953
Hotels & restaurants	2,279	1,671	774
Public administration and defence	32	44	3

Target locations by volume of deals

Target country	H1 2018	H2 2018	H1 2019
China	8,748	9,010	7,051
Taiwan	393	509	518
Hong Kong	356	394	274
Macao	6	2	3

Target locations by value of deals

Target country	H1 2018 (mil USD)	H2 2018 (mil USD)	H1 2019 (mil USD)
China	408,949	398,123	293,344
Taiwan	17,811	15,123	16,671
Hong Kong	21,605	25,210	14,262
Macao	0	4	12

Four deals worth over USD 1bn support PE and VC value

There have been 1,121 private equity and venture capital (PE and VC) investments targeting Greater China, worth an aggregate USD 33,868 million announced in H1 2019, compared to 1,522 deals worth a combined USD 56,026 million in H2 2018, representing a decline of 26 per cent by volume and 40 per cent by value.

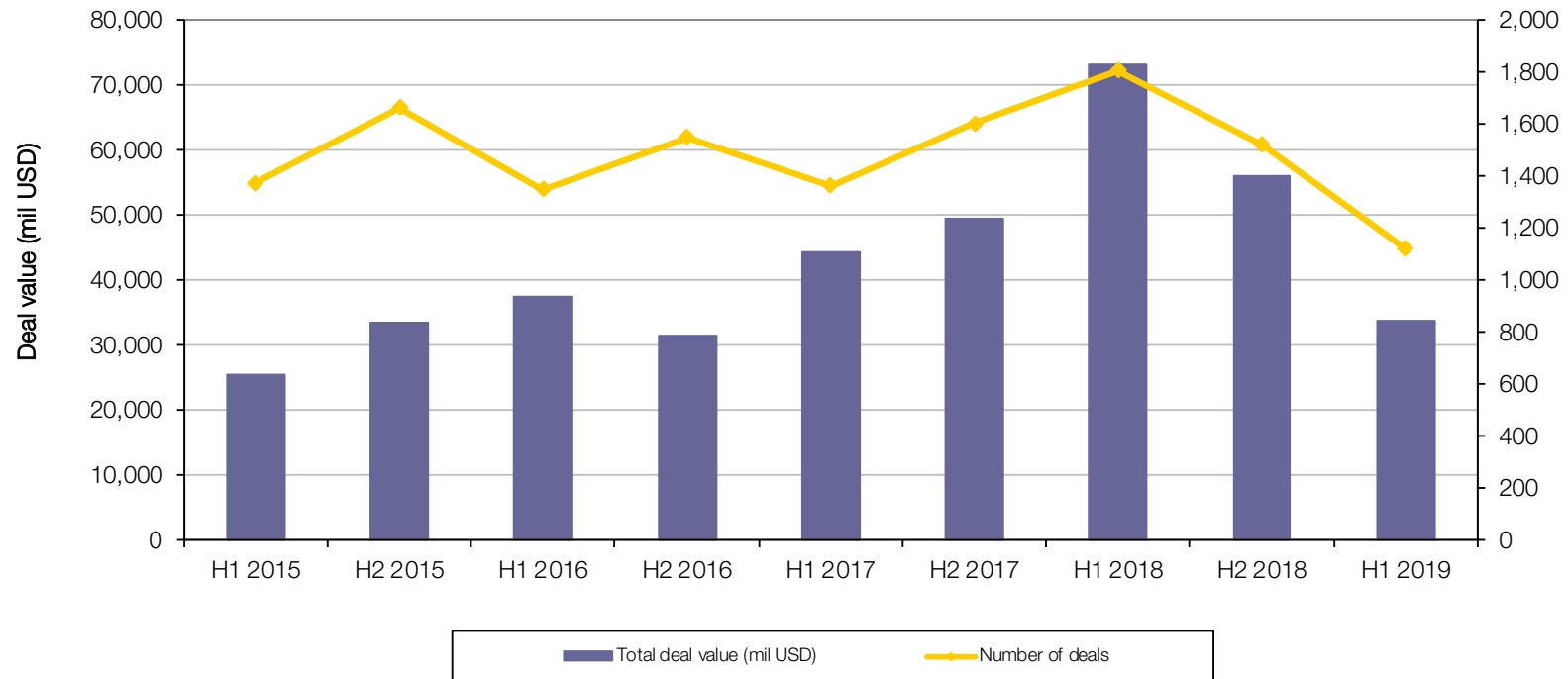
All but one of the top 20 deals by value featured Chinese companies the only exception placed 13th and involved KPS Capital Partners acquiring Brunswick's fitness business, which included Life Fitness Asia Pacific based in Hong Kong, in a deal worth USD 490 million. The largest deal of the six months under review involved Shanxi Gas Group receiving a USD 2,384 million investment from several investors such as China Development Bank Capital, Hong Kong & China Gas, China Cinda Asset Management.

China was the top target country by both volume and value with 1,091 deals worth USD 32,800 million, representing 97 per cent of total PE and VC volume and 59 per cent of total value in Greater China. Hong Kong followed on both fronts, despite being some way behind China, with 21 deals worth USD 766 million.

Private equity deals by volume and value

Announced date	No of deals	Total deal value (mil USD)
H1 2019	1,121	33,868
H2 2018	1,522	56,026
H1 2018	1,807	73,317
H2 2017	1,605	49,453
H1 2017	1,365	44,442
H2 2016	1,551	31,485
H1 2016	1,351	37,510
H2 2015	1,665	33,556
H1 2015	1,376	25,502

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.	2,384	Capital Increase	Shanxi Gas Group Co., Ltd	CN	China Development Bank Capital Corporation Ltd	20/02/2019
2.	1,500	Minority stake 17%	Guazi.com Inc.; Gold Maodou Technology Development (Beijing) Co., Ltd	CN; CN		28/02/2019
3.	1,476	Capital increase acquired 78%, to hold 100%	Hefei Zhongwen Jintai Semiconductor Investment Co., Ltd	CN	Shanghai Pengxin Asset Management Co., Ltd; Wuxi Guolian Industrial Investment Co., Ltd	14/02/2019
4.	1,340	IBO	Dinghao Plaza	CN	Partners Group Holding AG	28/03/2019
5.	750	Minority stake	Megvii Technology Ltd	CN	Bank of China Group Investment Ltd; Macquarie Group Ltd; ICBC Asset Management (Global) Co., Ltd	08/05/2019
6.	600	Minority stake 25%	Horizon Robotics Inc.	CN	SK Telecom (China) Ventures; Morningside Venture Capital Ltd; Hillhouse Capital Management Ltd; Shanghai Linear Investment Management Co., Ltd; Fanhai Energy Holdings Co., Ltd; Oceanpine Capital; China V Fund Co., Ltd; Xinyin Zhenhua (Beijing) Investment Fund Management Co., Ltd	27/02/2019
7.	570	Minority stake	Xiamen Qinhuai Technology Co., Ltd	CN	Bain Capital LP	28/05/2019
8.	550	Minority stake 23%	Beijing Qi'anxin Technology Co., Ltd	CN	Beijing Jinhui Graham Investment Ltd	13/04/2019
9.	518	IBO 12% to 82%	China International Futures Co., Ltd	CN	China Cifco Investment Co., Ltd	07/05/2019
10.	500	Minority stake	Shanghai Yueyi Network Information Co., Ltd	CN	Morningside Ventures LLC; GenBridge Capital; Tiger Global Management LLC; Tian Tu Capital Co., Ltd; Ningbo Qingyu Investment Management Co., Ltd	03/06/2019

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.	500	Minority stake	Beijing Chehejia Information Technology Co., Ltd	CN	Matrix Management Corporation; BRV Management Company LLC; Beijing Shougang Funds Co., Ltd; Bytedance Inc.	28/06/2019
12.	500	Minority stake 25%	Ziwutong (Beijing) Asset Management Co., Ltd	CN	Tiger Global Management LLC; Primavera Capital Management Ltd; Joy Capital Management Ltd; China Media Capital Co., Ltd; Beijing Gaorong Capital Management Consulting Co., Ltd	01/03/2019
13.	490	IBO 100%	LLife Fitness Asia Pacific Ltd; among other international assets	HK	KPS Capital Partners LP	06/05/2019
14.	480	IBO 50%	Taubman Asia Ltd's CityOn Xi'an shopping centre; Taubman Asia Ltd's CityOn Zhengzhou shopping centre; among other international assets	CN; CN	The Blackstone Group LP	14/02/2019
15.	447	Minority stake 8%	WM Motor Technology Co., Ltd	CN	Shanghai Linear Investment Management Co., Ltd; Shanxi Taihang Industrial Investment Fund Management Co., Ltd	08/03/2019
16.	435	Minority stake 48%	Shanghai Electric Industrial Co., Ltd	CN	BOC Financial Asset Investment Co., Ltd; ICBC Financial Asset Investment Co., Ltd; BOCOM Financial Asset Investment Co., Ltd	20/06/2019
17.	396	Capital Increase	China Shipbuilding Industry Group Diesel Engine Co., Ltd	CN	Defense Investment Management (Shanghai) Co., Ltd	31/01/2019
18.	362	Minority stake 39%	Shanghai Electric Group Shanghai Electric Machinery Co., Ltd	CN	BOC Financial Asset Investment Co., Ltd; ICBC Financial Asset Investment Co., Ltd; BOCOM Financial Asset Investment Co., Ltd	20/06/2019
19.	362	Capital Increase	Wuhan Marine Machinery Plant Co., Ltd	CN	Defense Investment Management (Shanghai) Co., Ltd	31/01/2019
20.	362	Minority stake	Nanjing Bordrin New Energy Automobile Co., Ltd	CN	China Grand Prosperity Investment Co., Ltd; Huai'an Yuanxing Investment Co., Ltd; Pukou Hi-tech Investment	30/05/2019

Private equity sectors by volume of deals

Target sector	H1 2018	H2 2018	H1 2019
Other services	1,121	879	600
Machinery, equipment, furniture, recycling	202	199	195
Publishing, printing	208	175	116
Chemicals, rubber, plastics	44	43	52
Education, health	74	58	51
Wholesale & retail trade	45	54	30
Food, beverages, tobacco	12	17	18
Hotels & restaurants	21	14	10
Primary sector	6	7	7
Metals & metal products	8	10	4
Construction	14	11	4
Gas, water, electricity	3	8	3
Transport	6	8	3
Textiles, wearing apparel, leather	4	4	2
Post and telecommunications	4	3	1
Insurance companies	4	5	1
Wood, cork, paper	2	3	1
Banks	0	0	0
Public administration and defence	0	1	0

Private equity sectors by value of deals

Target sector	H1 2018 (mil USD)	H2 2018 (mil USD)	H1 2019 (mil USD)
Other services	42,601	34,240	20,143
Machinery, equipment, furniture, recycling	16,558	5,306	7,353
Chemicals, rubber, plastics	1,474	3,257	1,657
Wholesale & retail trade	550	1,086	1,646
Publishing, printing	5,014	6,617	1,405
Transport	296	299	511
Metals & metal products	305	1,189	341
Education, health	915	796	211
Primary sector	322	558	124
Textiles, wearing apparel, leather	520	79	109
Food, beverages, tobacco	71	985	80
Gas, water, electricity	173	1,501	36
Construction	3,676	679	15
Insurance companies	12	76	14
Wood, cork, paper	11	23	1
Hotels & restaurants	334	97	1
Post and telecommunications	75	0	1
Banks	0	0	0
Public administration and defence	0	44	0

Target locations by volume of private equity deals

Target country	H1 2018	H2 2018	H1 2019
China	1,767	1,464	1,091
Hong Kong	28	44	21
Taiwan	12	14	9
Macao	0	0	0

Target locations by value of private equity deals

Target country	H1 2018 (mil USD)	H2 2018 (mil USD)	H1 2019 (mil USD)
China	71,049	48,031	32,800
Hong Kong	1,836	4,952	766
Taiwan	432	3,043	302
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 H1 2019 is from 01/01/2019 to 30/06/2019 inclusive.

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