

SPOTLIGHT

Debuts of 58.com, Qunar may signal renewed interest in China IPOs

Investors are taking notice that four venture-backed Chinese companies have listed on U.S. exchanges so far in 2013

Alastair Goldfisher
Editor

In consecutive days, two venture-backed China-based tech companies have debuted on U.S. exchanges, bringing to four the number of Chinese companies that have completed public offerings in the states this year.

Although it's a signal that investors are once again looking favorably at U.S.-listed Chinese companies, no one is saying yet that there's a resurgence taking place.

On Oct. 31, **58.com**, which raised about \$71 million in venture funding from **DCM**, **Warburg Pincus** and **SAIF Partners**, raised \$187 million in its IPO. The company, which operates a customer-to-customer sales platform known as the Craigslist of China, priced its shares at \$17 per American depositary share (ADS), above its initial expected price range of \$13 to \$15.

On Nov. 1, **Qunar Cayman Islands Ltd.**, which raised about \$85 million from **GGV Capital**, **Tenaya Capital** and **Mayfield Fund** and is majority-owned by Chinese search engine **Baidu**, launched its IPO. The Beijing-based company, which operates a travel search engine, raised \$167 million on shares priced at \$15 per ADS.

"It's definitely an encouraging sign that the environment is getting better when quality companies are getting listed," said **Hurst Lin**, general partner of DCM.

58.com and Qunar are the third and fourth VC-backed Chinese companies to list on a U.S. exchange in 2013, according to data from **Thomson Reuters** (publisher of VCJ). **Montage Technology**, which raised more than \$12 million in funding from **Intel Capital** and **Translink Capital Partners**, went public in September, while **LightInTheBox Holding Co.**, backed with



Jinbo Yao (right), CEO of 58.com, celebrates his company's IPO as it begins trading on the floor of the NYSE on Oct. 31, 2013. Shares of 58.com Inc, an online classifieds company dubbed the Craigslist of China, rose more than 45% in their trading debut, valuing the company at about \$3.82 billion.

REUTERS/BRENDAN MCDERMID

more than \$46 million in funding from **GSR Ventures**, **Ceyuan Ventures** and **Trust Bridge Partners**, launched its IPO in June.

Lin and other investors are taking notice of the new listings, because the number of Chinese companies listing in the U.S. has plunged from a high of 40 in 2010, according to Thomson Reuters, when **hiSoft Technology International Ltd.**, **21Edu.com**, **SinoTech Energy**, **ButAuto.com** and **Youku.com**, among others, went public.

Public investor interest in Chinese companies waned in the wake of accounting scandals in China, said Lin. In addition, the euro debt crisis turned investors off emerging markets.

But he said the higher quality of the companies going out is changing the tide, as public market investors are once again showing an appetite for Chinese companies. Better performance in the aftermarket is also helping.

IPO investors want growth. And the two IPOs from China in 2012—**Vipshop** and **YY**—are two of the best-performing stocks

on U.S. exchanges over the past year. **YY**, which operates an online gaming network and raised funding from **GGV Capital** and others, went public at \$10.50 per share in November 2012, and was recently trading at nearly \$48. **Vipshop**, which operates an online retailing site and is backed by DCM and **Sequoia Capital**, went public at \$6.50 in March 2012, and was recently trading above \$67.

Lin said he has heard from institutional bankers, who tell him that one or two more Chinese companies plan to file for IPOs in the U.S. market before the end of the year.

And of course, everyone is eagerly anticipating the U.S. debut of the Chinese Internet e-tail giant **Alibaba**, whose highly-anticipated IPO in 2014 will rival that of **Facebook** and **Twitter**. The Nasdaq and the NYSE are vying to be the U.S. listing home of Alibaba, which is expected to file for an estimated \$15 billion IPO in 2014, valuing the operator of retail, auction and content websites at more than \$100 billion.

VC-backed, China-based IPOs since 2012

IPO date	Company	Location	Description	Founding date	Ticker	Exchange	IPO price	IPO shares (M)	IPO amount (\$M)	Closing share price on 11/15/13	Total funding raised prior to IPO (\$M)	Investors
11/1/13	Qunar Ltd.	Beijing	Operates as a travel search engine.	5/31/05	QUNR	Nasdaq	\$15.00	11.10	\$167.00	\$29.46	\$84.7	GGV Capital, Tenaya Capital, Mayfield Fund
10/31/13	Beijing 58 Information Technology Co. Ltd.	Beijing	Operates a platform for customer-to-customer sales.	12/12/05	WUBA	NYSE	\$17.00	11.00	\$187.00	\$34.11	\$70.8	DCM, Warburg Pincus, SAIF Partners
9/26/13	Montage Technology Co. Ltd.	Shanghai	Manufactures mixed-signal integrated circuit.	5/1/04	MONT	Nasdaq	\$10.00	7.10	\$71.00	\$14.82	\$12.4	Intel Capital, Translink Capital Partners
6/6/13	Light In The Box Holding Co. Ltd.	Beijing	Operates as an online global distribution channel selling consumer goods.	1/1/07	LITB	NYSE	\$9.50	9.50	\$90.68	\$10.74	\$46.3	GSR Ventures, Ceyuan Ventures, Trust Bridge Partners
11/21/12	YY Inc.	Guangzhou	Operates online game community network.	1/1/05	YY	Nasdaq	\$10.50	8.90	\$94.19	\$54.14	\$82.0	GGV Capital, Morningside Technologies, Steamboat Ventures, Tiger Global
3/23/12	Guangzhou Vipshop Information Technology Co. Ltd.	Guangzhou	Operates an online retailing site.	8/27/10	VIPS	NYSE	\$6.50	11.00	\$71.53	\$86.69	\$71.5	DCM, Sequoia Capital, undisclosed investor
In registration	Sungy Mobile Ltd.	Guangzhou	Provides mobile Internet products and services.	3/16/04	GOMO	NYSE	n/a	n/a	\$80.00	n/a	\$35.0	CBC Capital, IDG Capital Partners, JAFCO Investment (Asia Pacific) Ltd., WI Harper Group
In registration	Newsunmit Biopharma Holdings Ltd.	Shanghai	Operates as a pharmaceutical company.	1/1/01	NSB	NYSE	n/a	n/a	\$80.00	n/a	\$31.0	Sequoia Capital, undisclosed investor

Source: Thomson Reuters

Notes: Data is continuously updated and is therefore subject to change. All figures are in U.S. dollars. Sungy Mobile filed for an IPO in October 2013, while Newsunmit Biopharma filed its registration papers in February 2012.

Married with startup

Couples who launch startups together face a lot of hurdles – but they also have a track record of creating some of the most successful venture-backed companies around.

Joanna Glasner
Senior Editor

Don't talk about work in front of the kids. Don't let a bad quarter affect what happens in the bedroom. And definitely, don't ever answer customer emails while naked.

Those were some of the tips speakers shared at a recent panel discussion on the rewards and difficulties of building a startup with one's spouse.

The speakers, all women running early-stage startups with their husbands, pointed to a number of benefits in building a company as a couple. These included having a deep

understanding of each others' skill sets and work styles and having a strong shared interest in the venture's success.

Yet there were downsides as well. For one, striking a work-life balance is hard enough when *one* partner is launching a startup – let alone both. That's why, panelists said, they had a set of rules in place to make it work.

"When we are at home, we don't talk about the company," said **Kristen Koh Goldstein**, CEO of **BackOps**, a provider of back office services to small businesses that she co-founded with her husband, **Mark Goldstein**.

Similar suggestions came from other speakers, who were on a conference panel called "Mixing business with pleasure" at Amplify 2013, produced by **Girls in Tech** and **Vator** in partnership with **Thomson Reuters** during Venture Alpha West in early October in Half Moon Bay, Calif. The panel was moderated by **Adriana Gascoigne**, CEO and founder of Girls in Tech.

Other panelists included **Heidi Zak**, CEO of



Marjolijn Kamphuis (CEO) and Johan Voets (CTO), husband-and-wife co-founding team of **Foodzy**. Married since 2011, when they launched their Amsterdam startup.

PHOTO COURTESY OF FOODZY

ThirdLove, a developer of apps and custom-fitting clothing, **Jennifer Wong**, CEO of **Alt12** a mobile parenting and pregnancy info provider, and **Eileen Gordon Chiarello**, co-founder of **Chiarello Media Company**, a food-focused content producer.

As for raising capital, husband-and-wife startups also face a unique set of challenges. Koh Goldstein spoke of the confused respons-