 金沙江标志

NACSA: Clean-Tech Innovation and Entrepreneurship in China

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GSR Ventures (Mayfield China)

- **Mayfield**
 - Premier Early Stage Technology VC
 - \$2.5 Billion (\$300M for China)
 - Funded many Chinese Entrepreneurs in SV
 - Active Semiconductor Practice (MIPS, SanDisk...)
- **GSR Ventures (Mayfield China)**
 - Started in 2004, first dedicated early stage technology VC in China by major US VC firm
 - Beijing and Silicon Valley
 - World class early stage VC – but operating in China
 - Focus on
 - Semiconductors (including Solar and "Green Technology")
 - Internet and Wireless
 - Others (Automotive, Enterprise IT)



Largest and Fastest Growing Market

- Largest semiconductor market since 2005
 - ~\$70B in 2006, \$47B in 2005
 - Over 80% of worldwide increase since 2005
- Driven by migration of EMS, ODM and OEM to China
 - Initially manufacturing
 - Increasingly sourcing and design
 - About 65% exported
- But mostly imported components...
 - Domestic production <\$9B [under 20%] in 2005



Many Tech IPOs from China

Over US\$1 billion Invested in Technology in 2006

2006 IPOs - China

Market	Ticker	Company	Market Cap 12/29/06
NYSE	MR	Mindray Medical International Ltd.	\$ 2,529,061,600
NASDAQ	GRRF	China Grentech Corp. Ltd.	\$ 461,000,000
NYSE	TSL	Trina Solar Ltd.	\$ 401,058,000
NASDAQ	CSIQ	Canadian Solar Inc.	\$ 285,789,600
NASDAQ	SOLF	Solarfun Power Holdings Co., Ltd	\$ 112,224,000
NASDAQ	EFUT	Efuture Information Technology Inc.	\$ 51,060,000
TOTAL:			\$ 3,840,193,200

Source: Zero2IPO.com

Combined market cap of VC-funded Chinese companies that had IPOs in 2006 > \$3B at the end of 2006

2005 IPOs - China

Market	Ticker	Company	Market Cap 12/29/06
NYSE	STP	Suntech Power Holdings Ltd.	\$ 5,085,515,300
NASDAQ	BIDU	Baidu.com Inc	\$ 3,797,653,000
NASDAQ	FMCN	Focus Media Holding Ltd	\$ 3,545,226,000
NASDAQ	ACTS	Actions Semiconductor Co Ltd	\$ 713,800,000
NASDAQ	CNTF	China Techfaith Wireless Communication Technology Ltd	\$ 473,026,400
NASDAQ	VIMC	Vimicro International Corp	\$ 355,470,000
NASDAQ	HRAY	Hurray! Holding Co Ltd	\$ 133,424,000
TOTAL:			\$ 14,104,114,700

Combined market cap of VC-funded Chinese companies that had IPOs in 2005 > \$14B at the end of 2006

2004 IPOs - China

Market	Ticker	Company	Market Cap 12/29/06
HKSE	0700	Tencent Holdings Ltd	\$ 8,650,000,000
NASDAQ	SMI	Semiconductor Mfg Intl	\$ 2,374,170,400
NASDAQ	SNDA	Shanda Interactive Entertainment Ltd	\$ 1,539,220,100
NASDAQ	TOMO	TOM Online Inc	\$ 824,310,000
NASDAQ	NCTY	The9 Limited	\$ 795,511,800
NASDAQ	JOBS	51job, Inc.	\$ 478,130,700
NASDAQ	KONG	KongZhong Corporation	\$ 337,793,600
NASDAQ	LONG	eLong, Inc.	\$ 327,461,700
NASDAQ	NINE	Ninetowns Digital World Trade Holdings	\$ 164,040,300
NASDAQ	LTON	Linktone Ltd.	\$ 125,598,000
NASDAQ	JRJC	China Finance Online	\$ 92,871,500
TOTAL:			\$ 15,709,108,100

Combined market cap of VC-funded Chinese companies that had IPOs in 2004 > \$15B at the end of 2006

Source: WSJ.com



Multi-Billion \$ Market Opportunities

- Mobile phone baseband > US\$700M in 2006
 - Mediatek
 - > US\$600M in 2006
 - Product announced in 2004
 - Almost all in China and Taiwan
 - Estimated 50% share of domestic handsets in China
 - Europe in 2007/2008
 - Spreadtrum
 - > US\$100M in 2006
 - Product shipped 2005
 - NASDAQ IPO 2007
- Other market opportunities of equivalent scale
 - 500+ million mobile phones
 - 100+ million TVs (moving to digital)



Fastest growing semi related opportunity

- Solar Growing 40% per annum
 - Mostly Europe and Japan
 - Small domestic market in China currently
 - 50% of silicon consumption
- China has leading companies in solar value chain
 - Cells and Modules: Suntech Power (NYSE - \$5B)
 - Wafers: LDK (NYSE - \$3B)



Opportunities in Solar

- Driven by cost → “grid parity”
 - \$1/watt or less
- Feedstock
- Thin Film Technologies
 - Silicon
 - CdTe
 - CIGS
 - Other
- Other
 - Solar Thermal
 - Concentrators
 - Energy storage
 - Inverters



Largest Potential Market for Renewable

- Largest emitter of Carbon Dioxide
- > 50% of global new electricity capacity construction
 - Currently 90% coal
 - Will need to reach 50% renewable to meet goals by 2020
- 2nd largest and fastest growing market for cars




Where we are investing

- Large, fast growing markets
 - Mobile
 - Digital Television
 - Clean energy
 - Lighting
 - Solar
- Driven by
 - Great teams
 - Differentiated IP
- Leverage markets and cost structure in China



Leverage US experience, but...

- Useful experience in US/overseas
 - Leading edge technology
 - Management and culture
 - Direct experience with US customers
- But issues with
 - Local (China/Taiwan) relationships with customers and government
 - Knowledge of local conditions and culture
 - Relocation/adjustment to China

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