

Seagate Global Group Ltd., China Private Equity Pioneer

Seagate Global Group was selected by China Everbright, Ltd., Hong Kong (one of China's largest and most important China state owned enterprises) to set up and manage the asset management function of China Everbright, Ltd., in 2002. The appointment was largely based on the success of Seagate Global, and its Chairman, William Lawton, in helping to establish China's central bank, The People's Bank of China, as a modern central bank.

A joint venture company was established, SeaBright Asset Management, Ltd., Hong Kong to manage the asset management function. The name took part of Seagate's name, and part of China Everbright's name to come up with the name SeaBright. China Everbright owns 65% of SeaBright, and Seagate Global Advisors, LLC, owns 35%, with funding done on a percentage ownership basis.

Mr. Lawton was named Chief Executive Officer of SeaBright Asset Management, and Mr. Guo You, CEO of China Everbright was named Chairman. SeaBright was charged with designing and implementing a comprehensive asset management plan for China

COMPANIES TAKEN PUBLIC:



- SeaBright invested US \$5 million in Goldwind Technologies in 2005 at RMB1/share, which was taken public on the Shenzhen Stock Exchange in December 2007, closing the first day of trading at RMB 120 /share
- Goldwind was one of the top IPO's of 2007
- Goldwind Science & Technology Co. Ltd. is now the number 3 wind turbine manufacturer in the world.
- Website: <http://www.goldwind.com.cn>



- Dec. 2003, the Fund invested in Techfaith, as its first strategic investor.
- May 2005, Techfaith successfully went public on the US NASDAQ.
- China Techfaith Wireless Communication Technology Limited is one of the largest Chinese independent mobile handset design houses. The company provides complete design services spanning the entire handset design cycle, which include industrial, mechanical, software, and hardware designs, etc. Its customers include

Everbright, which it did. The business plan was approved by CEB's Board of Director's for implementation.

SeaBright designed and launched several investment strategies; equity strategies, fixed income strategies, hedge fund strategies, and a private equity strategy. Most of the strategies did well, but the private equity strategy is the one that became the most successful and helped to launch the private equity sector in China for foreign investors.

Mr. Lawton personally designed the SeaBright China Special Opportunities Fund Strategy for the market conditions at that time. It would become one of the first private equity funds investing directly in China private equity investments for foreign investors, and extremely profitable for investors as the timing for launching the fund was excellent.

SeaBright China Special Opportunities Fund I was launched in 2004 with \$50 million, primarily provided by China Everbright and Seagate Global, but also including a select group of international investors brought in by Seagate. For example, the Fund invested \$5 million in Goldwind Science and Technology, Inc., at 1 RMB per share. Goldwind was taken public on the Shenzhen Stock Exchange on

both Chinese and international leading mobile handset brand owners.



- The company listed in the Hong Kong Mainboard since July 2007 (stock code 0658)
- China Highspeed Transmission Co. Ltd. is a leading producer of gear trains in China. Its products cover gear trains used in construction, metallurgy, power generation, petrochemicals, mining and wind power equipment.
- Currently, the company has become one of the major suppliers of gears for wind turbines in China. It should benefit from the robust growth of wind power.
- Website: <http://www.chste.com>



- China Sunshine is a leading paper manufacturer of Ivory Paper and Textile Tubes Paper based in the Shandong Province.
- In 2005 when SeaBright Asset

December 26, 2007, opening trading at 80 RMB per share and closing the first day of trading at 120 RMB per share, for a 120x increase in value. The position was sold after the lock up period at lower levels but for very substantial gains. Every investment in the fund produced a positive return.

SeaBright China Special Opportunities Fund II was launched in 2007, with Seagate Global and its investors investing US\$100,000,000 and China Everbright investing US\$100,000,000 in the strategy for a total of US \$200,000,000.

Partial list of companies invested in by SeaBright China Special Opportunities Fund I and II:

Management made its investment in China Sunshine, China Sunshine had a production capacity of 120,000 tons per annum. As at 30 June 2008, China Sunshine's total production capacity has grown 466% to 560,000 tons per annum.

- China Sunshine was been listed on the Hong Kong Stock Exchange since Dec 2007 (stock code : 02002).
- Website: <http://www.sunshinepaper.cc>



安徽应流集团

- Anhui Yingliu Group is a leading precision-foundry manufacturer in China. Clients include multi-national companies, such as Emerson Fisher, TYCO and Caterpillar .
- Yingliu has the competitive advantage over their counterparts in developed countries and in China because of its relative low labour costs and relatively high level of metal processing capabilities.



- UnionPay Merchant Services is a major subsidiary of UnionPay Holding, a consortium formed by the major banks in China. It provides

payment solutions (POS terminals and internet payment) to merchants and consumers in China.

- UMS is the largest point of sale terminal operator in China with a market share exceeding 50%.



- One of the leading companies in China's baby formula market. Beingmate targets at the market of nutritious food market for maternity, babies and infants from new born to twelve years old
- Flagship products include baby formula, rice flour, glucose and teething biscuits
- According to some statistics, in 2009, Beingmate was one of the top 4 in China baby formula market and captured 9% market share.



- One of the largest private rice processing companies in China.
- Produces rice bran oil, bran feed, granular fertilizer and other products



- One of the largest private logistics services providers in China.
- Provides comprehensive “door-to-door” logistics services to a diversified customers base in China
- Certified to ISO9000:2000 standard



- A leading business consulting, IT outsourcing and business process outsourcing services provider with end-to-end service capabilities.
- Well established network of offices and service teams on industry, regional and global bases.



- Chengdu JianGuo Automobile Trade Limited ("JianGuo") is one of the leading automobile dealership groups in Southwest China.

- JianGuo owns a comprehensive 4S dealership network in Sichuan Province and focuses on low-to-mid end automobile brands. As a “one-stop automobile shop”, it also offers repair and maintenance services, detailing services and other automobile-related products and services



- ShenGe is a leading marketing and distribution business of well-known sporting and leisure brands like Nike, Li Ning, Adidas, Kappa, Columbia, 361° etc in North Eastern China. Its sporting goods chain stores are mainly located in Heilongjiang province, China. ShenGe also has stores in Tianjin, Shanghai, Shenyang, Nanning and Dalian.



- Granlux’s main business is marketing and distribution of mid-to-high end, small package and branded rice. Its products are generally sold in supermarkets and community stores.

