

## Start-ups get chance at new funding source

China is about to launch the first batch of 20 new venture investment funds today.

They will be aimed at innovation-oriented start-ups.

The move is intended to compliment the debut of the Nasdaq-style ChiNext market.

So far, the funds have raised more than 9 billion yuan (\$1.3 billion). The amount raised comprises 1 billion yuan from the central government, 1.2 billion yuan from local governments and 7 billion from the public.

The funds are being jointly issued by the National Development and Reform Committee, the Ministry of Finance and local governments.

Each fund is focused on a specialized field. Fields covered include medicine, electronic information, service industry, new materials, new energy and the biological industry.

More funds will be launched in the future in an effort to find additional ways for new innovation-oriented and hi-tech companies to raise money.

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"We hope to promote development of emerging industries and speed up industrial structural adjustment through the introduction of the first batch of venture investment funds," said an official from the National Development and Reform Committee.

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He said the move also aims to propel the smooth development of the second-board stock market, to give small and medium-sized enterprises more access to financing.

Zuo Xiaolei, chief economist with Galaxy Securities, said companies catered to by the funds will have a chance to get listed on the new board, ChiNext, in Shenzhen.

Before the launch of the new board, many Chinese start-ups that were unable to meet the listing requirements on the domestic main board had turned to overseas markets,

particularly the Nasdaq, to get listed.

Currently there are 116 Chinese companies listed on Nasdaq, with 22 companies joining in 2009.

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