

CHINA

CCMP takes control of Kaidi

Ecotech investment taps PRC clean power opportunity

[CCMP Capital Asia](#) has taken control of new investee Kaidi Power Environmental Protection (KDPE), the clean power division of Wuhan Kaidi Power. As reported earlier (*see AVCJ Sep 25, 2006*), the deal is a rare control investment in a state-connected company in China.

"We're buying 80% of KDPE," [Jim Tsao](#),

Managing Director at CCMP, told *AVCJ*. "We control the board."

KDPE is the PRC's leading provider of emission control products and solutions for coal-burning power plants, chiefly targeting sulfur and nitrogen pollution. Given China's booming economy, ever-increasing power demands, and already

poor environmental standards, the company foresees a great domestic opportunity.

Tsao emphasized that, following "quite a bit of communication with the local government at an early stage," CCMP had relatively little trouble taking a control position in the firm. "It's one of

those rare deals in China where you can do a buyout and both sides are happy," he said. "Our biggest concern was whether the shareholders would approve the deal. We spent a lot of effort communicating the merits of this deal to them. It is quite amazing how perceptive they are, that they are willing to take a smaller piece of a much bigger pie."

The value of the deal was not disclosed, but Tsao confirmed that it was "less than \$100 million."

- PSM