
Venture capital-invested companies likely to enjoy preferential policies in China

SHENZHEN, April 12 (Xinhua) -- Venture capital-invested companies should enjoy preferential policies in the upcoming NASDAQ-like growth board, so as to develop China's technologically innovative enterprises, many of which are small and medium-sized ones, said Science and Technology Minister Wan Gang.

He made the remarks at the tenth China Venture Capital and Private Equity Forum 2008 here on Friday.

The Ministry of Science and Technology is pushing for the early launch of the growth board, and aims at building effective quit mechanism for venture capitals, Wan said.

The ministry is working with China Securities Regulatory Commission in exploring the development pattern of technically innovative companies, and guiding them to obtain financing through domestic capital market, he said.

China's traditional investment and financing system provided insufficient support for smaller companies, and thus had severely handicapped the start of small undertakings, especially the pioneer endeavor to industrialize technical innovations, he said.

China should better support venture capital and private equity investments, which made up the shortcomings of existing system, he said.