

Kleiner Perkins Caufield & Byers has at last joined the China gold rush, quickly establishing a \$360 million fund to invest in start-ups in the country.

The Menlo Park, Calif.-based firm had resisted the siren song of the Middle Kingdom as other brand-name firms like Accel Partners, Draper Fisher Jurvetson, Mayfield Fund, and Sequoia Capital planted their flags in the country through affiliate funds or satellite offices.

Now, after raising one of the largest funds ever compiled in the region, Kleiner's entry is just another indicator that the pull of the market created by China's burgeoning middle class is too attractive for investors to ignore. "The China opportunity is just enormous," Kleiner Perkins Partner Ted Schlein said.

Last year, 41 new funds raised \$4.4 billion dollars to invest in Chinese companies, according to data from Beijing-based industry analyst ChinaVenture Investment Consulting Ltd. According to Dow Jones VentureOne, investors placed \$1.89 billion across 214 deals in China last year, rising from \$1.22 billion and 156 deals in 2005.

The China office is staffed with investors culled from the Softbank Asia Infrastructure Fund and TDF Capital Partners, both firms with long histories in China. Joe Zhou, KPCB China co-founder and formerly with Softbank Asia, was involved with several of that firm's investments, like Chinese home shopping network Acorn International Inc.; Chinese testing services provider ATA Testing Authority Inc; and online game developer Shanda Interactive Entertainment Ltd.

Sharing the co-founder title at KPCB China is TDF Capital's founder and managing partner, and managing partner for Venture TDF China, Tina Ju. At TDF, Ju invested in Chinese success stories like the Alibaba Group and the search giant Baidu.com Inc. TDF Capital co-founding partners Forrest Zhong and David Su round out the KPCB China team.