

THE BIG PICTURE

Who Really Owns ByteDance?

A close look at the investors that built ByteDance into the company that it is today.

BY HANNAH REALE AND EMMA BINGHAM — AUGUST 16, 2020



ByteDance headquarters in Beijing.

Credit: *Imaginechina* via AP Images

ByteDance became one of the world's most valuable, privately-owned companies — [arguably the most valuable](#) — in just eight years. How did it get there?

For this week's Big Picture, we took a look at the investors that built ByteDance into the company that it is today. Its earliest funding, for instance, came from the Chinese affiliate of an American firm, the Susquehanna International Group, alongside Chinese investors and Yuri Milner, the Israeli-Russian investor who once backed Facebook. But as the company has grown, U.S. and Japanese investors have taken a bigger slice of the pie, with a few firms from Europe and South America sprinkled in.

Because China has tight regulations on who can invest in internet or technology firms, Zhang Yiming, the company's founder, controls most of the shares of the Chinese registered company, according to corporate records reviewed by *The Wire's* data division. But Zhang also established a series of offshore companies, in Hong Kong and the Cayman Islands, to welcome foreign capital and global investors.

Because the company is privately-held, there is no public list of all the current shareholders. But using various data sets, and a report from Pitchbook, we have compiled a list of who invested, from the Seed round up to the 2020. In recent negotiations, analysts say ByteDance has been valued at between \$100 billion and \$125 billion.

See the investors behind ByteDance's success, and explore their other ties to the company. Also, don't miss this week's cover story, which goes into detail about how the company became such a global phenomenon.

Seed Round — March 9, 2012

Charlie Cao



[Charlie Yi Cao](#) graduated from Tsinghua University with a degree in computer science and worked at Sequoia Capital China and Ceyuan Ventures prior to founding Source Code Capital, which invested in ByteDance in 2014.

Liu Jun

ByteDance is one of four of Liu Jun's investments, according to Pitchbook. The other three, based in China, are Jimu, which develops AI technologies for driverless cars, Newton Foundation and Jiedian Finance, both blockchain startups. Liu [worked](#) for internet security company Qihoo 360 (formerly listed on Nasdaq) prior to becoming an angel investor.

Zijing Zhou



Zhou invested an unknown amount in ByteDance before the company's first big success, Toutiao, hit the market. Zhou later founded Ether Capital, his own VC firm, in 2014, which also invested in ByteDance. He previously worked as a product manager at Alibaba and studied computer science at Zhejiang and Tsinghua Universities.

Morningside Venture Capital



A subsidiary of the Hong Kong-based Morningside Group, Morningside Venture Capital is an early-stage investor.

Shunwei Capital



Shunwei, based in Beijing and founded by Tuck Lye Koh and Xiaomi founder Lei Jun, invests in early-stage Chinese internet companies.

Series A — July 1, 2012 — \$5m raised

Susquehanna Asia Investments



Susquehanna, a China-based venture capital firm, is a subsidiary of the proprietary trading firm Susquehanna International Group (SIG), based in Philadelphia. Susquehanna invested early in ByteDance, partly because of its prior relationship to Zhang Yiming. [The Information reported](#). Susquehanna also later invested in Musical.ly in 2016 before it was acquired by ByteDance. Susquehanna founder Arthur Dantchik sits on ByteDance's board.

Yuri Milner



Yuri Milner is an Israeli-Russian venture capitalist who founded DST Global, a venture capital firm based in Hong Kong, in 2009. He found success with early investments in Chinese companies like Alibaba and JD.com. According to a 2017 [New York Times report](#), hundreds of millions of his investment dollars came directly from the Kremlin, and he at one point owned roughly 8% of Facebook. [WIRED crowned him](#) the "world's most successful investor in social media" in 2011.

Zhang Yiming



Zhang Yiming is the founder and CEO of ByteDance. Before he started his own company in 2012, he worked for Kuxun, a tourism startup, and briefly worked for Microsoft in 2008 — the company now in talks to acquire TikTok's U.S. operations. He led ByteDance to launch its first smash success, the news aggregator app Toutiao, just a few months after ByteDance got its seed funding.

Series B — Sept. 1, 2013 — \$10m raised

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Series C — June 3, 2014 — \$100m raised

Kohlberg Kravis Roberts



Kohlberg Kravis Roberts has been operating since 1976 and has 20 offices around the world, with its headquarters in New York City. It has a diverse portfolio across tech, real estate, energy, and more. KKR invested in ByteDance twice, first when the company was valued at half a billion dollars, riding off its Toutiao success, and again in 2018 after its acquisition of Musical.ly gave it a solid foothold in the western world.

Source Code Capital



China-based [Source Code Capital](#) was founded by Charlie Cao, a seed round investor in ByteDance. The firm focuses on technology companies and has backed around 150 startups, including Meituan Dianping and Qudian. According to the WireBox, Zhang Yiming, ByteDance's founder, is an LP in Source Code Capital.

Sina Corp. (Weibo)



Sina Corp., owner of popular Chinese microblogging site Weibo, has invested in multiple private companies. It invested in two of ByteDance's funding rounds but sold its stake in late 2017, according to Pitchbook. The two companies [reportedly](#) cut ties after a spat about content-sharing policies between Weibo and ByteDance platform Toutiao.

Hillhouse Capital Group



Hong Kong-based Hillhouse is a private equity powerhouse focused on Asia. It is best known for its early investment in Chinese tech companies, including Tencent and JD.com.

Sequoia Capital China



Sequoia Capital China was founded in 2005 in cooperation with U.S.-based Sequoia Capital. The majority of its investments are in Asia, including at least 26 of China's unicorn startups. Sequoia China founder Neil Shen sits on ByteDance's board.

Series D — April 7, 2017 — \$1b raised

CCB International



CCB International is the Hong Kong-based investment services arm of China Construction Bank Corporation, one of the four major banks in China. Across several subsidiaries, CCB International invests in companies that are pre-IPO, IPO, and post-IPO, creating a varied portfolio and, according to its website, financing over 4 trillion HK dollars.

Hony Capital



Hony Capital, sponsored by Legend Holdings, which is known for being the owner of Lenovo Group, is a China-focused firm that has invested in companies ranging from China Shijiazhuang Pharmaceutical Group and retailer Suning to PizzaExpress and WeWork.

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Later Stage VC — Dec. 1, 2017 — \$2b raised

Ether Capital



Ether Capital, sometimes translated as APlus Investment Consulting, is a Beijing-based venture capital firm founded in 2014 that primarily invests in early-stage ventures. Its founder, Zijing Zhou, and its director, Charlie Cao, were both original seed investors in ByteDance in 2012.

FutureX Capital



FutureX Capital, based in China, has invested in companies such as Xiaomi, Kingsoft Cloud, and Meituan Dianping, according to its website. Founded in 2017, its funding is geared towards artificial intelligence projects and, according to a 2018 interview with founder Cynthia Zhang, it pursues mid-to-late stage ventures.

Sina Corp. (Weibo)



SALE

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GGV Capital



GGV Capital is a venture capital firm with hundreds of investments around the world, more than half of them in information technology, according to data from Pitchbook. GGV invested in Musical.ly in 2015 and 2016, a Chinese lip-syncing app with a large American user base that was acquired by ByteDance in November 2017; GGV Capital investor Hans Tung also served on Musical.ly's board. GGV gained ByteDance shares in the Musical.ly sale but has since sold most of them, according to a spokesperson.

Sky9 Capital



Sky9 is a venture capital firm based in Shanghai and founded in 2016, with almost all of its investments based in China and focused on technology. Its founder, Cao Darong (Ron Cao), has long held ties to Silicon Valley, facilitating KLM Capital Fund's cross-border technology investments between Silicon Valley and China in the early 2000s and, before that, working for such American companies as Intel, Motorola, and Goldman Sachs, according to his company bio.

General Atlantic



[General Atlantic](#) was created by billionaire Chuck Feeney in 1980 partly to fund Atlantic Philanthropies, the foundation to which he pledged his fortune. The firm now focuses on investments in the technology, financial services, consumer and health care sectors. [The Information reported](#) that CEO Bill Ford may play an increasing role in helping ByteDance navigate U.S. politics. General Atlantic invested in ByteDance in August 2017 and March and Oct. 2018, according to a spokesperson.

Series D — Oct. 26, 2018 — \$3b raised

TCV



[TCV](#), headquartered in California, invests in growth-stage technology companies. It has invested more than \$13 billion in 350+ companies, including leading companies such as Facebook, Netflix, Airbnb, and GoDaddy.

Loyal Valley Capital



Loyal Valley is a private equity firm founded in 2015 in Shanghai. Nearly all of its investments are in Asia, with focuses on healthcare and media.

Primavera Capital Group



[Primavera Capital](#) is a leading China-based investment firm founded by Fred Hu, an economist and former chairman of greater China for Goldman Sachs.

Alpha Square Group



Alpha Square Group is a single-family office founded in 2015 with a focus on late-stage funding. It is currently invested in just 20 companies, according to its website, including the China-based MissFresh, Xiaomi and Meituan.

Base Partners



Base Partners is a Brazilian venture capital firm based in Sao Paulo. Founded in 2016, it has just over a dozen investments, a majority of which are in the United States, and ByteDance is its only Chinese investment, according to its website.

New Enterprise Associates



[New Enterprise Associates](#), based in the U.S., invests in technology and health care companies globally, including in emerging markets, especially China and India. The nearly 40-year-old firm has invested \$23 billion in more than 500 companies.

**Kohlberg
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**SoftBank
Group**



SoftBank's \$100 billion [Vision Fund](#), which invested in ByteDance, is the world's biggest technology investor and has invested in companies such as Slack, Arm, Uber, and Didi Chuxing. Some of its investments, like WeWork, have faced high-profile struggles recently, and SoftBank's Vision Fund II, announced last year, reportedly did not meet its fundraising goals.

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Debt Financing — April 10, 2019 — \$1.34b raised

Morgan Stanley, Goldman Sachs, Bank of China, others

ByteDance [secured](#) a \$1.3b loan in a deal led by Morgan Stanley, Goldman Sachs, Bank of China and China Merchants Bank's Wing Lung Bank Ltd. and including other top-tier Wall Street and Chinese banks.

Series E — July 8, 2019

**Aglaé
Ventures**



Paris-based [Aglaé Ventures](#) is the technology-focused venture arm of Groupe Arnault, the firm that holds a controlling stake in luxury goods company LVMH. The firm invests 100K-100M in pre-IPO rounds and has backed companies including Netflix, Airbnb and Spotify.

**All Blue
Capital**



The London-based private equity firm has offices around the world, including New York, Shanghai, and Hong Kong. It has a small portfolio with limited holdings in Asia, mostly composed of cryptocurrency startups like Dash and Basic Attention Token.

**Tiger Global
Management**



Tiger Global is an investment firm founded by Tiger Management alumnus Chase Coleman. The nearly 20-year-old fund is headquartered in New York with offices across Asia and Australia, and over 40% of its investments are in Asia.

Secondary Transaction (Private) — Nov. 1, 2019 — \$113.33m sale

Qiming Venture Partners
SALE



Based in Shanghai, Qiming Venture Partners is a venture capital firm founded in 2006 that specializes in early-stage ventures, including cutting-edge health companies. Qiming invested in Musical.ly in May 2016, and sold its stake in ByteDance — which it gained through the acquisition — in Nov. 2019.

Secondary Transaction (Private) — March 30, 2020

Tiger Global Management



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Coatue Management [invested](#) in ByteDance in 2017, and the firm's founder Philippe Laffont sits on ByteDance's board, but *The Wire* could not confirm which round the firm participated in. Other companies, such as Cheetah Mobile, invested in Musical.ly or another of ByteDance's acquisitions and may own shares, but they have never directly invested in ByteDance.

Data: Pitchbook, Rhodium Group; Image credit: company websites



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● COVER STORY



Pole Position

BY EYCK FREYMAN

In public, Chinese diplomats and climate negotiators deny that they see any link between climate change and geopolitics. But there is a deeply cynical consensus within China's academic and policy communities that climate change creates geopolitical opportunities that China can exploit — and must exploit before its rivals do. Greenland was the proof of concept for this strategy. And it caught the U.S. flat-footed.

● THE BIG PICTURE



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BY GARRETT O'BRIEN

A look at Transsion's monumental growth, unique marketing strategies and future growth potential.

● Q & A



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BY ANDREW PEAPLE

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