

Eye on China

A View from Shanghai

Week of May 12-May 18, 2007

Merchant Banking Advisory In China for Over Twenty Five Years

ChinaVest

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Market Weekly

Shanghai Composite Index

- 5/11 Close: **4,021.68**
- 5/18 Close: **4,030.26**
- Weekly Change: **↑ 0.213%**
- Since 1/1/07: **↑ 55.884%**

Shenzhen Composite Index

- 5/11 Close: **11,489.93**
- 5/18 Close: **12,100.10**
- Weekly Change: **↑ 5.310%**
- Since 1/1/07: **↑ 82.035%**

Exchange Rate

- 5/11: US\$1 = **RMB 7.704**
- 5/18: US\$1 = **RMB 7.692**
- Weekly Change: **↑ 0.161%**
- Since 1/1/07: **↑ 1.609%**

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- 2) Great Wall Motor to Issue A-Shares
- 3) Schaeffler to Continue Pushing for Acquisitions in China
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Aircraft

1) Construction Begins on Airbus Plant in Tianjin

On Tuesday, May 16, construction began on Airbus' assembly plant in Tianjin, an industrial city in north China. The plant is a JV between Airbus and a group of Chinese companies including *China Aviation Industry Corp I (AVIC I)* and *China Aviation Industry Corp II (AVIC II)*, which are state-owned aircraft manufacturing enterprises. Airbus recently won approval to hold a 51% stake in the JV, which will involve an investment of RMB8 billion to RMB10 billion. The plant will produce A320 jets and is expected to begin operating in 2008. By 2011, the plant is expected to produce four planes a month. The formal JV agreement for the new plant has not yet been signed, but is expected to be finalized by the end of May. China's aviation industry is growing fast, and Airbus expects to deliver 80-90 planes to China each year starting in 2009. Airbus delivered 76 planes to China in 2006. Additionally, China will build its "own" aircraft to help fill the growing demand. The mainland is already building medium-sized passenger jets (about 75-100 passengers). The government also approved a plan in March for China to build large passenger aircrafts of over 150 passengers.

Automobiles

2) Great Wall Motor to Issue A-Shares

Keen to raise capital, *Great Wall Motor*, China's top SUV and pick-up truck manufacturer, will likely list in Shanghai soon. The company did say, however, that it was still open to issuing additional shares in Hong Kong, where it is already listed. Either way, the automaker stated that it wants to sell shares consisting of roughly 16% of its share capital. Based on the current share price in Hong Kong, the offering would raise about US\$200 million. Great Wall's market cap currently stands at HK\$3.1 billion. Proceeds from the share issuance will finance five different manufacturing projects.

Industrial Bearings

3) Schaeffler to Continue Pushing for Acquisitions in China

German-based Schaeffler, the world's second-largest manufacturer of bearings, persists in its attempt to acquire China-based *Luoyang Bearings*. This statement was made by Gou Jianhui, Managing Director of Schaeffler China. The deal is one to keep an eye on, as Chinese regulators previously rejected Schaeffler's acquisition of Luoyang in order to "protect" a key Chinese industry from being acquired by foreigners. Last May, Schaeffler agreed to acquire Luoyang for RMB1.1 billion (US\$143 million), but the deal came under fire, especially from the China Bearing Industry Association. Dr. Jürgen Geissinger, Schaeffler's president and CEO, also said the company would continue to grow in China through acquisitions. Luoyang is currently being restructured, and "may introduce a foreign investor" after the process is completed. However, at the moment, it looks as if it will be difficult for Schaeffler or any other foreign firm to acquire a majority stake.

Energy

4) Leading Chinese Coal Producer Plotting Overseas Mine Acquisitions

Hong Kong-listed *Shenhua Energy* is planning to make overseas acquisitions in coal mines. Chairman Chen Biting said possible acquisitions include both large and small mines. Up to now, Chinese coal producers have made very few acquisitions of overseas mining assets, while Shenhua has yet to make any. The lack of international diversification is due to China's historically large coal supply (roughly 115 billion metric tons of proven recoverable reserves). However, China will start securing more overseas coal assets, as domestic supply tightens in a country that depends on coal for about 70% of its energy. Eventually, China may import more coal than it exports, due in large part to falling demand in other countries and recently-imposed export taxes in China. In addition to acquiring overseas coal assets, Shenhua Energy is also looking to purchase mining assets from its parent, *Shenhua Group*.

5) Two More Chinese Solar Energy Firms to List in the United States

China's *LDK Solar*, a solar equipment manufacturer, will list on the New York Stock Exchange on June 1. The company plans to sell 17 million shares at US\$25-27 apiece, raising approximately US\$450 million. LDK Solar manufactures multicrystalline solar wafers, the principal raw material input used to produce solar cells. The company is based in south China's Jiangxi province. *Yingli Green Energy*, another Chinese solar energy product manufacturer, also plans to raise up to US\$350 million in an IPO on the NYSE in the near future. U.S. listings by Chinese solar companies have been popular lately. *Trina Solar* (NYSE, current market cap of US\$1.1 billion) and *Solarfun* (Nasdaq, current market cap of US\$564 million) both listed in December of last year. Trina raised about US\$98 million and Solarfun raised US\$150 million in their respective IPOs. Trina's stock has surged since the listing, currently trading about 178% above the IPO price. Solarfun has had less success, currently trading at or around the IPO price. In February of this year, China-based *JA Solar* (Nasdaq, market cap of US\$604 million) raised US\$225 million in its IPO. Shares are currently trading at 51% above the IPO price.

Machinery

6) Firms Place Bids to Acquire Stakes in Shenyang Machine Tool

China-based *Sany Heavy Industry Co.* and U.S. hedge fund Jana Partners have each bid for a 30% stake in *Shenyang Machine Tool Group (SMTCL)*, China's largest manufacturer of machine tools. SMTCL is currently 100% state-owned, and the Shenyang State-Owned Assets Supervision and Administration Commission (SASAC) recently put a 49% stake up for auction. The stake will be sold in separate 30% and 19% sections, with the minimum bidding price of the stakes set at RMB1.01 billion (US\$130 million) and RMB640 million (US\$83 million) respectively. The government wants one of the investors to be a strategic investor, and Sany Heavy Industry certainly fits the bill. The Shanghai-listed enterprise manufactures construction equipment and other types of heavy machinery. Both Sany and Jana submitted their bids by May 14. Any company that acquires either of the two stakes will have to hold their shares for at least five years after purchase. SMTCL manufactures and sells heavy industrial tooling machines both domestically and internationally. It is the 10th-largest firm in the world in its field. Since 2003, China has become the largest machine tool consuming country in the world. The company has around a 28% market share in China and revenues of approximately US\$750 million.

Metals

7) Zijin-led Group Completes Monterrico Deal

A *Zijin Mining*-led consortium has completed the majority acquisition of AIM-listed UK mining firm Monterrico Metals. Monterrico's shareholders just approved the consortium's purchase of 54.19% stake for £94.6 million. Hong Kong-listed Zijin is one of China's major mining firms, and has market cap of about HK\$17.5 billion. Monterrico was an attractive target because of its rights to a major copper and molybdenum mine in Peru. Zijin has recently focused on expanding its overseas assets, and Monterrico is the latest example. Last September, Zijin purchased a 29.9% stake in AIM-listed Blue Ridge Mining for RMB123 million. That deal gave Zijin access to two mines in South Africa. The company is also exploring a nickel mine in Myanmar and has mining projects in countries like Russia and Vietnam. Along with other Chinese mining firms, Zijin is working to secure overseas mining assets to gain access to long-term resource supplies for China. Monterrico Metals has stock market value of about £89 million.

Petroleum

8) China Sets Single-Month Record for Crude Oil Imports

In April, China imported 14.8 million metric tons of crude oil, a record amount for a single-month. That represents an average of about 3.62 million barrels a day, as well as a 23% increase over April 2006. Imports for the first four months of the year rose significantly—10.8% over the previous year. The jump is largely due to China's efforts to fill its strategic oil reserves, and the stockpiling will probably continue into the future. Increased attention to securing energy supplies has led China to turn to Africa for crude oil. The African continent now accounts for 30% of China's total crude imports, and last year, Angola passed Saudi Arabia as the mainland's largest import source. China is hoping to reduce energy output by 20% per unit of GDP during the 11th Five-Year Plan period (2006-2010), but that task will prove difficult. Energy consumption was only reduced by about 1.2% last year. China is the world's second-highest consumer of oil at 7 million barrels per day. By comparison, the United States consumes 20 million barrels per day.

Pharmaceuticals

9) Chinese Pharma Firm to JV with Japanese Firm, Seek Listing in Tokyo

Jilin Xiuzheng Pharmaceutical Group, a China-based pharmaceutical company, will likely form a 50-50 pharmaceutical wholesaling JV with Japanese company Miyakoshi. The venture will then seek to list on the Tokyo stock exchange. Xiuzheng Pharmaceutical Group is based in the city of Jilin in northeast China. The company recorded 2006 sales of RMB4.2 billion (around US\$550 million). As we reported in the last two issues of the newsletter, the Tokyo Stock Exchange is looking to increase its share of Chinese listings. Last month, *Asia Media* became the first Chinese company to list in Tokyo, raising US\$25.3 million on the exchange's "Mother Market" for growth companies.

Internet

10) Hong Kong's Finet Acquires Chinese Online Game Company

Hong Kong-based internet company *Finet Group* will acquire Chinese online game company *Hangzhou Tianchang Network Technology* for RMB200 million (US\$26 million). It will be an important acquisition in the massive multiple online role playing game (MMORPG) arena. Tianchang, with over 200 game developers and operators, is already a major player in the Chinese MMORPG sector. Its "Legend of Tang Dynasty" and "Tang Dynasty Online" game titles, which were released in late 2006, have already been quite successful. The company also has a solid pipeline, as it plans to release up to eight new games within the next two years. Finet Group is actually an internet-based financial information service company. However, it has big plans in China's internet media & mobile fields, and has already made some acquisitions of Chinese companies in the online game and other online media fields. Finet's market cap currently stands at about HK\$400 million. China's online game industry, currently estimated at over 30 million users, is expected to grow at a CAGR of 40% for the next few years, and could quadruple in size by 2011.

Semiconductor/Integrated Circuit

11) Panasonic to Establish Global Semiconductor Base in Suzhou

Suzhou Panasonic Semiconductor Co began operations at a new semiconductor plant in Suzhou on May 15. Suzhou is a major technology manufacturing city in Jiangsu province located less than two hours from Shanghai. The US\$100 million plant will more than double Suzhou Panasonic Semiconductor's output this year. Additionally, Suzhou will become Panasonic's global semiconductor production base in the future, with Suzhou Panasonic's sales eventually reaching RMB1.7 billion (US\$220 million) per year. Panasonic will start construction on another US\$100 million semiconductor plant in Suzhou later this year. That plant is expected to begin operating by the end of 2008. Samsung Electronics, the world's second-largest producer of semiconductors, also recently announced its plans to build a major semiconductor production line in Suzhou. It will be the company's fourth in that city. China's semiconductor industry is expected to double by 2010, reaching sales of US\$5.5 billion. In other semiconductor news, Swiss semiconductor giant ST Microelectronics said it is looking for acquisitions in China and Japan. The company is apparently "suffering" from the effects of a strong euro. STMicroelectronics is familiar with China, having entered the mainland in 1987. The company is listed in New York and on multiple European markets. Its stock market value is over US\$18 billion.

Telecommunications

12) China Approves Foreign 3G Standards for Future Use

China's *Ministry of Information Industry (MII)* has approved the world's two predominant 3G wireless standards for eventual use on the mainland. Meanwhile, China developed its own proprietary standard, called TD-SCDMA, which is currently undergoing trial operations in 10 cities. "The three world standards will all be used in China," said Yang Peifang, secretary general of MII's telecommunication economics panel. "The introduction of the other two standards will help improve TD-SCDMA," said Yang. The approval doesn't mean the other two standards will be used right away. MII has yet to grant licenses to mobile companies that provide 3G services and won't do so until after the TD-SCDMA trial run is complete. The ministry probably won't issue the first license before the first quarter of 2008. However, the approval of Europe's WCDMA standard and the United States' CDMA 2000 standard is a move by China to show that mobile companies in China will be able to choose from all three standards and won't be restricted to using TD-SCDMA. This may be a prudent political move ahead of the China-U.S. economic summit in Washington next week. The Issuance of 3G licenses in China has seen significant delays, presumably to allow TD-SCDMA time to catch up to the other standards. China has made it a priority to roll out TD-SCDMA (and other 3G systems) in time for the Olympic Games.

13) PTAC to List in Shanghai Instead of Hong Kong

The *State-Owned Assets Supervision and Administration Commission (SASAC)* turned down China-based PTAC in its bid to list in Hong Kong, telling the company to prepare for a Shanghai listing instead. PTAC is preparing to list its *China Postel Mobile Communications Equipment* subsidiary, China's largest distributor and wholesaler of mobile phones. Chinese regulators recently said they wouldn't allow IPOs in Hong Kong that raised less than US\$1 billion unless the company simultaneously listed in mainland China. PTAC had planned to raise about HK\$3 billion in Hong Kong. Last month, SASAC also required two other SOEs, *Western Mining* and *Tianjin Lishen Battery*, to list in Shanghai instead of Hong Kong. Separately, China Postel just signed US\$4.8 billion in mobile phone purchasing contracts. It will purchase US\$2.5 billion worth of phones from Nokia and US\$2.3 billion worth of phones from Motorola.

Banking

14) BoComm Lists in Shanghai, A-Shares up 73% over IPO Price

Shares of *Bank of Communications (BoComm)*, China's fifth-largest bank, began trading on the Shanghai Stock Exchange on Tuesday. The shares closed the first day of trading at RMB13.54, up 71% over the IPO price of RMB7.90. BoComm sold 3.19 billion shares in the offering, raising RMB24.75 billion (US\$321 billion) in the IPO. Shares ended the week at RMB13.69, a 73% premium to the IPO price. BoComm was already trading in the Hong Kong Stock Exchange. It listed in Shanghai to likely capitalize on the booming China A-Share market. Analysts hadn't expected BoComm's A-shares to perform so well on the first day. The solid first week is yet another example of mainland Chinese investors' zeal to buy Chinese stocks, even during a week in which the Chinese government issued warnings about a stock market "bubble." BoComm will most likely use a significant percentage of the offering to fund acquisitions in China. After the listing in Shanghai, BoComm's market cap stands at almost RMB200 billion (US\$26 billion).

Financial Services

15) Mellon Enters Chinese Fund Management Market

Major U.S. financial group Mellon Financial will enter the Chinese fund management market by partnering with *China Southern Fund Management* on a new QDII product. The fund plans to have US\$800 million–US\$1 billion under management. The QDII program, which is discussed in greater detail later in this newsletter, allows Chinese banks and fund managers (and, subsequently, Chinese citizens) to invest in overseas investment instruments. Mellon Financial will provide its international investing expertise to the new fund, which will give the Pittsburgh-based financial group access to a small percentage of the Chinese citizens' bank savings. The joint fund will take advantage of new QDII rules that allow investment in overseas equity products (discussed later in the newsletter). Although regulators have not released the specific rules governing the new QDII investment by fund management companies (the new rules only cover banks), an executive at China Southern Fund Management said he expects their QDII fund to receive approval to launch soon. Mellon Financial is also rumored to be in talks with China Southern Fund Management to set up a joint venture fund management company. By holding a stake in a China-based JV, Mellon Financial would gain access to the US\$150 billion domestic mutual fund market. China Southern is one of China's leading fund management companies.

Retail

16) Belle Becomes Most Popular HK IPO Ever

Belle International's Hong Kong IPO attracted HK\$434 billion in retail subscriptions, surpassing Industrial & Commercial Bank of China's (ICBC) previous HK record of HK\$411 billion. The retail tranche for Belle's IPO was oversubscribed by 500 times while the institutional tranche was oversubscribed by 50 times. The ladies' shoes retailer priced its shares at the top end of the indicative range. The IPO will raise HK\$8.7 billion (roughly US\$1.1 billion). As a result of the overwhelming demand, the retail tranche will be increased from 10% to 50% of the offering. Belle's shares will begin trading on Wednesday, May 23. Belle's share price is expected to trade at about a 20% premium to the IPO price when the shares hit the market. ICBC, China's largest bank, simultaneously listed in Hong Kong and Shanghai last October, raising US\$22 billion in the world's largest-ever IPO.

17) Chinese Property Company to List on AIM

China Central Properties (CCP) will list on London's AIM market next month and will raise about £150 million in the listing. Hong Kong-listed *Shui On Construction and Materials* (market cap: HK\$5.25 billion) recently spun off China Central Properties. CCP buys distressed property projects and completes them. It currently has a portfolio of five projects in three Chinese cities. Shui On is involved in a number of activities including construction, construction materials, and property development & investment. The group's investment partners include JPMorgan and Spinnaker Capital, an American hedge fund. The British AIM market, owned by the London Stock Exchange, has attracted over 50 Chinese companies, with 28 firms choosing to list there last year alone. The regulatory requirements to list stock on the AIM market are relatively low compared to Nasdaq and NYSE. This, in conjunction with the lower administrative costs, has made AIM an influential stock market for Chinese companies.

Regulations

Chinese Banks to Begin Investing in Foreign Stocks

On May 14, the *China Banking Regulatory Commission (CBRC)* expanded the scope of the Qualified Domestic Institutional Investor (QDII) program. This program allows Chinese banks and fund managers to invest an allocated quota in overseas stocks, bonds and other financial instruments. QDII-approved commercial banks will now be allowed to invest up to 50% of their quotas in overseas equity and structured equity products. The new rule will allow banks the option of investing in overseas markets and diversifying their portfolios. QDII investing had previously been limited to low-risk fixed-income and other low-yield products. The move is designed as a "safety valve" that channels money out of the overheated Chinese stock markets. Initially, CBRC's new edict will not significantly slow down money flowing into China's stock markets. Current QDII quotas only total about RMB100 billion (US\$13 billion), a paltry figure compared to the estimated US\$4 trillion in domestic savings. Additionally, only 3% of the quotas have been filled so far, due to the attractiveness of investing in the Chinese markets and a RMB300,000 minimum deposit limit to invest in QDII products. While small, the rule change is a positive step by CSRC within the framework for gradually opening foreign capital markets to domestic investors. It will likely pave the way for significant overseas investment down the road. Additionally, the move will give a boost to Hong Kong-listed companies, as the HKSE will continue to benefit by getting more investment funds from retail and institutional investors on the mainland. The news release of the CBRC regulation drove Hong Kong's shares up. The benchmark Hang Seng Index broke 21,000 for the first time on May 14.

Macro

PBOC Expected to Raise Interest Rates in Near Future

The *People's Bank of China (PBOC)*, China's central bank, will likely raise interest rates in the near future to curb lending and slow the flow of savings into the stock markets. China's CPI grew 3.0% YoY in April, which was actually less than expected and less than March's 3.3% YoY rise. However, with the one-year bank deposit rate at 2.79%, the real savings rate is still negative. "We expect a 27 basis point hike in both one-year deposits and lending rates, but do not rule out the possibility of a larger hike in deposit rates say, 54 basis points, than in lending rates. The timing should be within the second quarter, and is likely sooner than later," said an analyst from Lehman Brothers. A hike in the one-year rate should help slow bank lending, which is growing at a breakneck pace. Lending jumped 16.5% YoY in April and 16.2% in March. Lehman also pointed out that household deposits in banks fell by RMB167 billion in April as Chinese citizens poured money into the A-share stock market. As we reported in last week's newsletter, Chinese retail investors opened almost 5 million new equity investment accounts in April. By comparison, only 3 million were opened in all of 2006. April's drop in savings deposits was the first since February of 2003, a fact that tells a great deal about the risk Chinese citizens are taking as they rush to participate in the stock market. PBOC believes the interest rate hike(s) may help cool the economy and keep banks and citizens from overexposing themselves to the equity markets. Interest rate hikes could take on extra significance, as increases in the deposit reserve ratio have had less than desired economic cooling effects. With their abundance of yuan reserves, banks have been largely unaffected by hikes in the required reserve ratio.

Macro

China Deepens Commitment to Africa

The *African Development Bank* held its annual board meeting in Shanghai May 16-17. At the meeting, China pledged US\$20 billion in aid to Africa over the next three years. The money will go toward infrastructure and development projects. China will also continue to encourage mainland businesses to increase their investment and business activity in Africa. These announcements are recent examples of China's strengthening ties with Africa. The mainland sees the African continent as a vital place from which it can secure valuable natural resources.

China has been quietly investing in Africa for years. By the end of 2006, for example, over 800 Chinese companies had invested US\$11.7 billion in projects in Africa. Most of those companies, about 700, were not state-owned enterprises. Analysts believe that Chinese investments in Africa will definitely increase but they will also come with international scrutiny. *PetroChina*, for example, is weathering criticism for its presence in war-torn Sudan. Additionally, *Sinopec* recently dealt with the kidnapping of several workers in Ethiopia.

China must maintain a sense of political awareness in its dealings with Africa, as the continent's problems include terrorism, ethnic cleansing and civil war. Signs indicate that this political awareness is improving. A week ago, for example, China sent a special representative on African affairs to assist with the Darfur issue. China has also offered some of its military engineers to join a UN force in Darfur.

In another interesting piece of cooperation between China and Africa, China built and launched a satellite for the country of Nigeria. The satellite will serve parts of Africa, Europe, and Asia. The *South China Morning Post* added that the satellite would help provide internet access to many rural Nigerians and would save the country up to US\$660 million in phone charges. The event was major news in Nigeria, with the country's president calling it the "best gift" for the people. It was the first time China has launched a satellite for an African nation, and the first time it designed, built, and launched a satellite for any country. Nigeria is the eighth-largest oil exporter in the world, exporting 2.2 million barrels per day.

Macro

Hoffa Makes Trip to China

Teamsters president James Hoffa is making a visit to China on what is described as a "fact-finding mission." Hoffa will meet with Chinese union leaders and visit factories owned by United Parcel Service (UPS) and YRC Worldwide (a major U.S.-based trucking group). In the wake of last month's strike at the port of Shenzhen in southern China, Hoffa also identified China's port industry as an area of possible future focus. "We're very interested in organizing port workers," he told reporters. China's trade unions are under the supervision of the government-controlled *All China Federation of Trade Unions (ACFTU)*. Although unions in China aren't afforded the same rights as in the U.S. (e.g. union workers can't strike), they are becoming a more influential player in China. Hoffa's visit to China certainly highlights some possible momentum. For example, ACFTU unionized China's Wal-Mart workers last year. ACFTU said that at the end of September 2006, 11.8 million workers for foreign companies were unionized.

Deals in China

M&A Activity

Acquirer	Description	Target	Description	Amount	Deal details
Xiamen Zijin Tongguan Investment Co	Zijin Mining-led consortium	Monterrico Metals	UK-based, AIM listed mining company	£94.6 Mil	completed acquisition of 54.19% stake
Finet	HK-based, HK-listed internet-based financial information provider	Tianchang Network	Chinese MMORPG online game developer	RMB 200 Mil	controlling stake
LVMH	French luxury goods company (this acquisition made specifically by Moët Hennessy Wines and Spirits division)	Wen Jun Distillery	Sichuan province-based, 450-year-old premium spirits brand	N/A	55% stake
Syngenta	Switzerland-based, UK-listed agriculture company that markets seeds and crop protection products	Sanbei	Chinese developer and distributor of corn seeds w/ 2006 sales of US\$30 million	N/A	49% stake
China Great Wall Computer	mainland-based computer and monitor manufacturer	TPV	Taiwanese company, major monitor manufacturer, world's largest maker of computer screens, listed in HK and Singapore	HK\$1.14 Bil	20% stake
Oriental Investment	HK-listed, HK-based diversified investment firm	Dongguan Dong Cheng	operator of a green power plant in China that uses natural gas and oil to generate power	HK\$316 Mil	40% stake
Oriental Investment	HK-listed, HK-based diversified investment firm	Dongguan Kewei	operator of a green power plant in China that uses garbage and coal to generate power	HK\$122 Mil	40% stake

Deals in China

IPO Pipeline

Company	Description	Exchange	Size	Financial Advisors
Belle International	Chinese ladies' shoes retailer	Hong Kong	HK\$8.7 Bil	Morgan Stanley, Credit Suisse
LDK Solar	China-based multicrystalline solar wafer manufacturer	NYSE	US\$450 Mil	Morgan Stanley, UBS
Yingli Green Energy	designs, assembles, sells, and installs photovoltaic energy systems	NYSE	US\$350 Mil	Goldman Sachs, UBS, Piper Jaffray, CIBC World Markets
PTAC	Chinese group focusing on distribution and wholesaling of mobile phones	Shanghai	about RMB 3 Bil	N/A
Western Mining	Chinese mining company, specializing in lead, zinc, copper, and silver	Shanghai	RMB 5 Bil	N/A
Beijing Glory Real Estate	developer of residential and commercial properties in Beijing	Hong Kong	US\$300 Mil	N/A
XLX Fertilizer	Henan province-based manufacturer of urea and fertilizer	Singapore	up to SGD 150 Mil (US\$98.4 Mil)	N/A