

China M&A Round-Up

July 24–31, 2009

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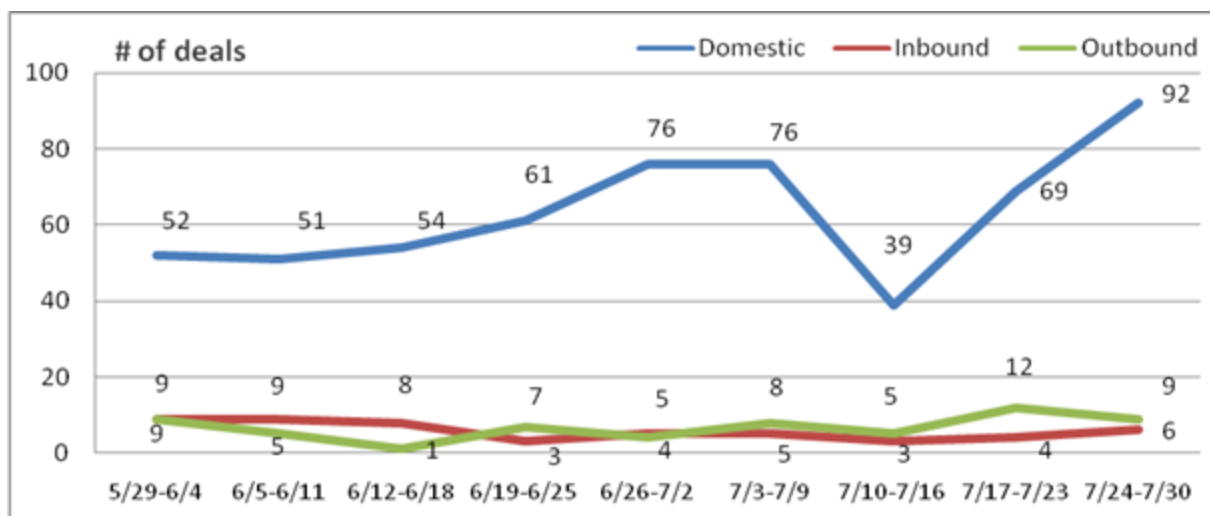
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Highlights of the week:

- Huaneng Group intends to bid for controlling stake in Berau Coal for more than US\$1 billion.
- Sino Union Petroleum & Chemical International Ltd plans to acquire Expand Wide Ltd for US\$472.14 million.
- Shanghai Industrial sells remaining non-core assets for US\$368 million.
- Jiangxi Hongdu Aviation Industry Co plans to raise US\$366 million through a private placement of shares.
- China's largest chemicals trader, Sinochem makes bid for Nufarm, Australia's biggest supplier of farm chemicals.

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Deal Type	05/29-06/04	06/05-06/11	06/12-06/18	06/19-06/25	06/26-07/02	07/03-07/09	07/10-07/16	07/17-07/23	07/24-07/30
	Deal Value (\$m)	Deal Value (\$m)	Deal Value (\$m)	Deal Value (\$m)	Deal Value (\$m)	Deal Value (\$m)	Deal Value (\$m)	Deal Value (\$m)	Deal Value (\$m)
Domestic	1731.08	1761.78	4357.73	5499.28	1425.44	3278.42	1810.79	1164.81	2173.637
Inbound	84.2	66.08	37.97	N/A	316.08	139.8	782.01	10.31	228.56
Outbound	217.45	78.81	N/A	8202.36	N/A	1834.16	17.59	1488.09	377.6

(Source: Thomson – the above mentioned analysis is representative of both pending and closed deals.)

Trends to watch

Date	Details	Source
Energy & Resources		
07/24/2009	<ul style="list-style-type: none"> China National Petroleum Corporation, an integrated energy company, intends to acquire interest in massive Rumaila oilfield project in Iraq, from British Petroleum Plc, a vertically integrated oil and gas company. 	Global Markets Direct Financial Deals Tracker
Financial Services		
07/30/2009	<ul style="list-style-type: none"> China Development Bank, the former mainland policy lender that is converting to a commercial bank, said that its international expansion would not be slowed by book losses in Barclays of Britain. (中文版请点击这里) 	South China Morning Post
07/29/2009	<ul style="list-style-type: none"> China Strategic (HK: 0235) considers to seek approximately US\$1 billion of new funds to acquire a controlling interest in an insurance company located in the Greater China region. (中文版请点击这里) 	Infocast News
Telecom, Media & Technology		
07/24/2009	<ul style="list-style-type: none"> Mindong Electric (Group) Co Ltd (SZ: 000536) recently obtained approval from China's Ministry of Commerce for its restructuring plan, which means Taiwan-based Chunghwa Picture Tubes Ltd is closer to being able to acquire a 70% stake in Mindong Electric. 	China Knowledge Press

Others

07/28/2009	<ul style="list-style-type: none"> MOFCOM had revised the Provisions on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, deleting "Chapter 5 Anti-Monopoly Examination", and regulated the standard of concentrated declaration for business operators shall comply with China's anti-monopoly law. (中文版请点击这里) 	MOFCOM
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China Outbound M&A

Date	Details	Source
Energy & Resources		
07/28/2009	<ul style="list-style-type: none"> China Huaneng Group, the parent company of Huaneng Power International, Inc, is planning to acquire 51% shares of Berau Coal, the fifth biggest coal mining company in Indonesia for around US\$1 billion. (中文版请点击这里) 	NewsTrak Daily
07/25/2009	<ul style="list-style-type: none"> The world's largest tin miner, Yunnan Tin Group (Holding) Company Ltd, will control up to 60% of the Tasmanian assets of Metals X Ltd for US\$40.84 million. (中文版请点击这里) 	Hobart Mercury
Manufacturing		
07/27/2009	<ul style="list-style-type: none"> Nufarm Ltd. of Australia received a preliminary approach by China's Sinochem Corp. for a potential takeover, the latest in a series of overtures by Chinese state-owned entities to acquire assets in Australia. (中文版请点击这里) 	The Wall Street Journal Asia

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China Inbound M&A

Date	Details	Source
Financial Services		
07/28/2009	<ul style="list-style-type: none"> John Masters Industries Bhd of Malaysia agreed to acquire the entire share capital of Be Top Group Ltd, the holding company of Top Textile (Suzhou) Co Ltd, for US\$48 million. (中文版请点击这里) 	Thomson Reuters
Manufacturing		
07/24/2009	<ul style="list-style-type: none"> USA-based Bakhu Holdings Corp., a development stage company, agreed to acquire 100% interest in Shenzhen Xinhonglian Solar Energy Co., Ltd., a company engaged in manufacturing and selling solar powered products and photovoltaic solar panels. 	Global Markets Direct Financial Deals Tracker

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Domestic consolidation

Date	Details	Source
Aviation & Transport Services		
07/31/2009	<ul style="list-style-type: none"> Jiangxi Hongdu Aviation Industry Co, an aircraft and parts maker, plans to raise as much as US\$366 million through a private placement of shares to strengthen its competitiveness in aircraft exports and outsourcing services. There are around 10-targeted investors in this private placement, including AviChina Industry & Technology Co, which controls 55.29% of Jiangxi Hongdu and other institutional and individual investors. 	China Daily

(中文版请点击[这里](#))

Consumer Business

- 07/29/2009
- Beijing Hualian Group Investment Holding Co Ltd signed a contract with a local investment firm belonging to the Chinese Academy of Sciences to purchase a 60% stake in a shopping mall in Zhongguancun, Haidian District, Beijing called One Mall. (中文版请点击[这里](#))
- China Knowledge Press
- 07/29/2009
- Lam Soon (Hong Kong) (HK: 00411) said its subsidiary Hong Kong Flour Mills, has signed an agreement to acquire land and buildings, plant and machineries and other assets from a company located in Jiangsu Province in PRC for flour mill operations at US\$14.64 million. (中文版请点击[这里](#))
- ET Net News
- 07/29/2009
- Hanny Holdings (HK: 00275) said its subsidiary, Far Bright, agreed to acquire 30% equity interest in Fortune Well, principally engaged in manufacturing, processing and trading of garments at US\$5.8 million. (中文版请点击[这里](#))
- ET Net News
- 07/28/2009
- China Huiyuan Juice (HK: 01886) said its subsidiary, Xinming Beverage, agreed to acquire the business and assets relating to the sales and production of milk beverage, at US\$19.23 million. (中文版请点击[这里](#))
- ET Net News

Energy & Resources

- 07/30/2009
- Sino Union Petroleum & Chemical International Ltd (HK: 0346), which is engaged in the trading of polyurethane materials, fuel oil and natural gas, has announced that it plans to acquire Expand Wide Ltd for US\$472.14 million. (中文版请点击[这里](#))
- China Knowledge
- 07/28/2009
- Yanzhou Coal Mining Company Limited, a coal mining company, has entered into an agreement to acquire an additional 14.21% equity interest in Shandong Hua Ju Energy Company Limited for a consideration of US\$17.04 million. (中文版请点击[这里](#))
- Datamonitor's Financial Deals Tracker

Financial Services

- 07/27/2009
- Three private equity firms, CITIC Private Equity, V-Stone Investments Ltd and a local investor, will pay US\$117.12 million for a combined stake of about 10% in China UnionPay, the only national credit card organization in the country. (中文版请点击[这里](#))
- China Knowledge Press

Manufacturing

- 07/29/2009
- Van Shung Chong (HK: 01001) said its subsidiary, CAMP BVI, agreed to acquire the entire issued share capital of King Castle at US\$4.5 million. (中文版请点击[这里](#))
- ET Net News
- 07/28/2009
- Great Wall Motor (HK: 02333) agreed to acquire 49% interest in Baoding Huan Qiu at US\$1.1 million, to be satisfied by the internal resources of the company. (中文版请点击[这里](#))
- ET Net News
- 07/28/2009
- Shanghai Industrial Holdings (HK: 0363) has sold its remaining non-core investments: a 30.17% stake in Bright Dairy and an 8.2% holding in Semiconductor Manufacturing International Corporation (SMIC), raising a total of US\$368 million. (中文版请点击[这里](#))
- Xinhua's China Economic Information Service
- 07/27/2009
- BYD Company (HK: 1211), a China-based automaker and
- Auto Business News

	battery manufacturer, has agreed to acquire Hunan Midea Coach Manufacturing Limited, a Chinese bus and coach manufacturer for US\$8.8 million. (中文版请点击 这里)	
07/24/2009	<ul style="list-style-type: none"> Beijing Automotive Industry Holding (BAIC) has confirmed that it plans to acquire a 50% stake in Fujian Daimler Automotive. (中文版请点击这里) 	IHS Global Insight Daily Analysis
07/24/2009	<ul style="list-style-type: none"> Prosperity International Holdings Ltd of Hong Kong agreed to acquire a 55.07% interest, in Prosperity Minerals Holdings Ltd for US\$321 million. (中文版请点击这里) 	Thomson Reuters
Real Estate		
07/30/2009	<ul style="list-style-type: none"> Hanny Holdings (HK:0275) agreed to acquire 60% of the issued share capital of Best Smooth International and the Sale Loan at a total cash consideration of US\$45.67 million. (中文版请点击这里) 	Quam
07/30/2009	<ul style="list-style-type: none"> China Sports Industry Group Co Ltd (SH: 600158), plans to acquire a 90% stake in a Dalian-based property firm, for around US\$73.2 million. (中文版请点击这里) 	China Knowledge Press
07/30/2009	<ul style="list-style-type: none"> Shui On Land agreed to increase its stake in Lakeville to 99% from 69.3% for US\$14.66 million. (中文版请点击这里) 	South China Morning Post
07/24/2009	<ul style="list-style-type: none"> Eternally Smart Ltd agreed to acquire bonds convertible into 33.7% stake for US\$154.8 million. 	Thomson Reuters
Telecom, Media & Technology		
07/27/2009	<ul style="list-style-type: none"> Giant Interactive Group, a leading online game developer and operator in China, will acquire 51% equity in Hangzhou based Xuelang Software. (中文版请点击这里) 	Xinhua's China Economic Information Service
07/24/2009	<ul style="list-style-type: none"> Mobile TV operator VisionChina Media Inc. is brewing a merger of counterpart TOWONA Corporation for US\$140 million. (中文版请点击这里) 	SinoCast Internet & Media Beat

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GCSG Webcast of Interest

Overseas Mining Investments:

M&A Challenges, Approaches, and Structures in China

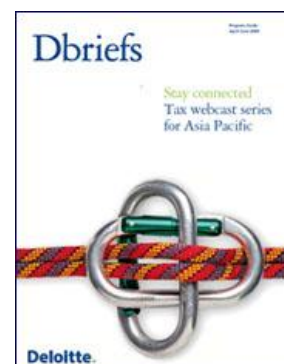
August 18, 10:00 - 11:00 AM HK (GMT +8)

Host: Anita Ding

Presenters: Karl Baker and Sam Li

China's recent economic and social development has driven unprecedented demand for resources to develop infrastructure and drive production. As Chinese companies look overseas to feed this demand, what is and is not working in terms of significant outbound M&A transactions? We'll discuss:

- Recent outbound mining M&A activities and trends involving Chinese companies.
- Key challenges for Chinese companies, including tax issues.
- A robust M&A approach for China outbound mining investments.
- An overview of deal structuring and tax-aligned supply chain management for



Chinese enterprises expanding overseas.

Explore key trends and issues your company should consider in preparing for its overseas M&A transaction in the mining sector. [Click here to register.](#)

海外矿业投资：中国企业进行并购的挑战、方法以及结构

8月18日上午11时半 - 下午12时半（香港时间，GMT +8）

主持人：丁建萍

主讲人：王文杰 及 李晓晖

中国近来的经济社会发展带来了前所未有的资源需求以支撑基础设施建设和生产发展。随着中国企业开始放眼海外市场来寻求满足这一需求，大型的海外并购交易有哪些需要注意的地方？我们将探讨：

- 近期与中国有关的对外矿业并购活动和趋势。
- 中国企业面临的主要挑战，包括税务问题。
- 中国企业对外进行矿业投资的完备方法。
- 中国企业海外扩张的交易结构以及节税的供应链管理概况。

我们将探寻主要趋势并讨论您的企业在准备矿业交易时需要考虑的事项。点击[这里](#)注册参加。

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Multidisciplinary service lines include:

- Market Entry/Business Optimization
- Effective Global Supply Chain – Tax-Aligned Supply Chain
- Corporate Finance/M&A

- Risk Management

The GCSG also assists Chinese companies seeking to access overseas markets - expanding operations, raising capital from public or private sources and/or acquiring overseas assets. Our global network of bilingual professionals works with colleagues in China to deliver seamless service to globalizing Chinese companies.

Simply put, the GCSG network positions its practitioners in the local market to allow seamless and effective service to our clients on all China-related issues. For more information about GCSG, please click on the following link: www.deloitte.com/cn/gcsg

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A Differentiating Factor for the Firm

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