

## China M&A Round-Up

April 29 – May 7, 2010

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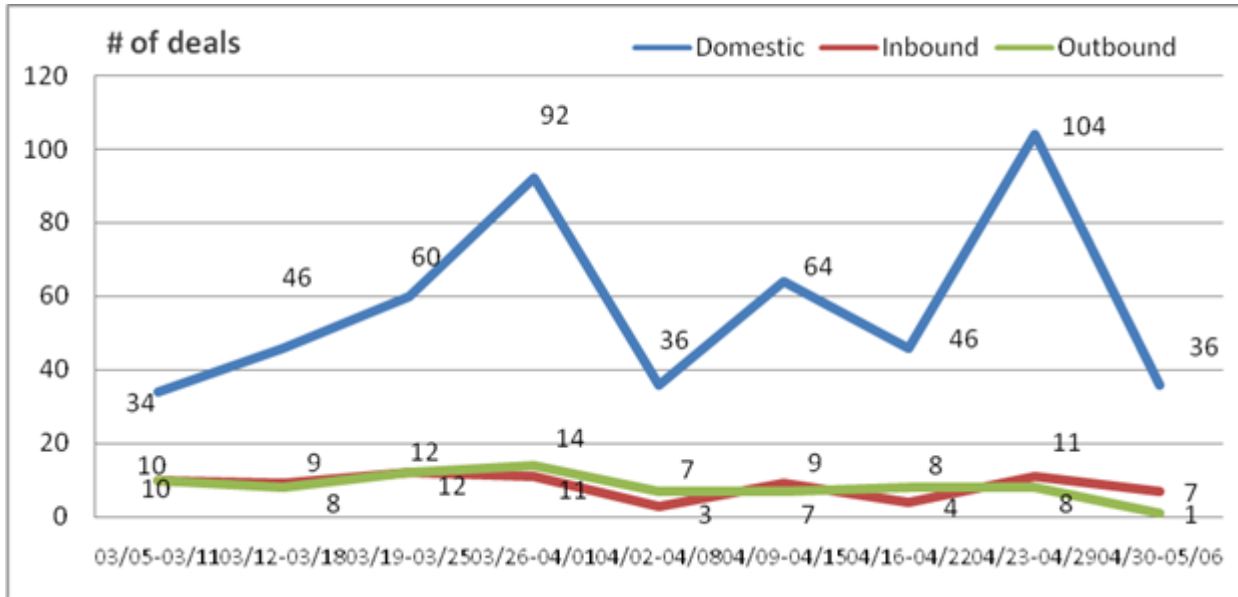
### • Highlights of the week:

- China Pipe inks MOU for Indonesian mines at US\$1.38 billion.
- Ping An plans to acquire Shanghai Securities for US\$1 billion.
- Deutsche Bank to increase stake in Huaxia Bank for US\$842.38 million.
- CNOOC to buy Devon Energy's 24.5% stake in South China Sea oil field for US\$515 million.
- Cheung Kong Infrastructure Holdings Ltd purchases a 50% stake in Seabank Power for US\$323.79 million.

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**China M&A Trend Analysis (March 05 – May 06, 2010)**



Deal Type	3/5-3/11	3/12-3/18	3/19-3/25	3/26-4/1	4/2-4/8	4/9-4/15	4/16-4/22	4/23-4/29	4/30-5/6
	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	6430.56	1242.09	1588.75	2768.62	1798.60	734.10	1613.87	2825.29	729.75
Inbound	25.01	4.75	139.45	123.04	786.80	136.01	16.27	1688.22	57.91
Outbound	1207.99	3202.22	3688.64	3017.30	353.39	4997.01	79.57	1471.96	39.33

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

## Trends to watch

Date	Details	Source
05/03/2010	<ul style="list-style-type: none"> <li>Chinese oil and gas firm PetroChina is increasing investment in oil and gas exploration and development in Indonesia through its local subsidiary by 30% this year to boost oil lifting and counteract declining production. (<a href="#">中文版请点击这里</a>)</li> </ul>	The Jakarta Post
	<ul style="list-style-type: none"> <li><a href="#">Back to top</a></li> </ul>	

## China Outbound M&A

Date	Details	Source
05/04/2010	<ul style="list-style-type: none"> <li>APAC Resources (HK: 1104) has agreed to acquire a 7.1% stake in Uranium and copper explorer Kalahari Minerals for US\$44.7 million.</li> </ul>	Dow Jones International News
04/30/2010	<ul style="list-style-type: none"> <li>China Pipe Group Ltd (HK: 0380) has inked a memorandum of understanding to acquire Dynamic Event Ltd, an investment holding company and owner of exploration right of tin mine in Bangka Belitung for</li> </ul>	Datamonitor's Financial Deals Tracker

US\$1.38 billion. ([中文版请点击这里](#))

- |            |  |                       |
|------------|--|-----------------------|
| 04/30/2010 | <ul style="list-style-type: none"><li>CNOOC Limited agreed to acquire 24.5% participation interests in Block 15/34 from Devon Energy Corporation for a consideration of US\$515 million.</li></ul>                               | PR Newswire           |
| 04/29/2010 | <ul style="list-style-type: none"><li>Cheung Kong Infrastructure Holdings Ltd (HK: 1038) will purchase a 50% stake in Seabank Power from London-listed BG Group plc for US\$323.79 million. (<a href="#">中文版请点击这里</a>)</li></ul> | China Knowledge Press |

#### Manufacturing

- |            |   |            |
|------------|---|------------|
| 04/29/2010 | <ul style="list-style-type: none"><li>GD Midea Holding Co. Ltd. has signed an agreement to acquire a 32.5% stake in Misr Air Conditioning Manufacturing Company for US\$57.48 million. (<a href="#">中文版请点击这里</a>)</li></ul> | PRNewswire |
|------------|---|------------|

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#### China Inbound M&A

Date	Details	Source
<b>Aviation &amp; Transport Services</b>		
05/03/2010	<ul style="list-style-type: none"><li>Seanergy Maritime Holdings Corp. entered into a Letter of Intent with Maritime Capital Shipping (Holdings) Limited, of the British Virgin Islands to acquire a 51% ownership interest in HongKong based Maritime Capital Shipping Limited.</li></ul>	PR Newswire
<b>Consumer Business</b>		
05/05/2010	<ul style="list-style-type: none"><li>US brewer Molson Coors Brewing Co agreed to acquire a 51% stake in a new joint venture with Hebei Si'hai Beer Company for US\$40 million.</li></ul>	M&A Navigator
05/04/2010	<ul style="list-style-type: none"><li>Jollibee Worldwide Pte. Ltd. signed a joint venture agreement with the Guangxi Zong Kai Food and Beverage Investment Co. Ltd. that will allow the Philippine company to acquire a 55% stake in San Pin Wang for US\$4.37 million. (<a href="#">中文版请点击这里</a>)</li></ul>	China Economic Net
04/30/2010	<ul style="list-style-type: none"><li>Danish brewer Carlsberg has applied to increase its stake in China's Chongqing Brewery Co Ltd. (<a href="#">中文版请点击这里</a>)</li></ul>	Esmerk Danish News
<b>Financial Services</b>		
05/06/2010	<ul style="list-style-type: none"><li>Deutsche Bank AG, a leading global investment bank, signed a definitive agreement to acquire a 2.79% stake in Huaxia Bank Co Ltd for US\$842.38 million. (<a href="#">中文版请点击这里</a>)</li></ul>	China Knowledge Press
<b>Manufacturing</b>		
05/02/2010	<ul style="list-style-type: none"><li>Cantronic Systems Inc., signed a letter of intent to acquire all of the issued and outstanding shares of privately-owned Actiontop Electronics (Shenzhen) Co. Ltd., a manufacturer of high-speed video surveillance cameras and related products.</li></ul>	Marketwire

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## Domestic Consolidation

Date	Details	Source
<b>Aviation &amp; Transport Services</b>		
04/30/2010	<ul style="list-style-type: none"> <li>Chinese ports operator COSCO Pacific agreed to acquire a further 13.7% stake in Sigma Enterprises, increasing its stake to 20.55%. (<a href="#">中文版请点击这里</a>)</li> </ul>	NYT Blogs
<b>Consumer Business</b>		
05/04/2010	<ul style="list-style-type: none"> <li>Universal Travel Group, a leading travel services provider in China, entered into letters of intent to acquire four travel agency businesses in China.</li> </ul>	PRNewswire
<b>Energy &amp; Resources</b>		
05/05/2010	<ul style="list-style-type: none"> <li>Loudong General Nice Resources Holdings Ltd(HK: 0988), formerly known as The Sun's Group Ltd, has announced to spend US\$102.55 million to purchase a 30% stake in Taiye Colliery. (<a href="#">中文版请点击这里</a>)</li> </ul>	China Knowledge Press
<b>Financial Services</b>		
05/06/2010	<ul style="list-style-type: none"> <li>Ping An Insurance (Group) Co of China plans to acquire Shanghai Securities Co to strengthen its brokerage business in a deal analysts estimate is worth US\$1 billion.</li> </ul>	Reuters News
05/05/2010	<ul style="list-style-type: none"> <li>Ping An Insurance (Group) Co of China received approval from China Securities Regulatory Commission on its plan to issue H-shares in exchange for shares in Shenzhen Development Bank. (<a href="#">中文版请点击这里</a>)</li> </ul>	Reuters News
<b>Healthcare &amp; Life Science</b>		
05/04/2010	<ul style="list-style-type: none"> <li>China Grand Pharmaceutical and Healthcare Holdings Ltd (HK: 0512), formerly known as Maxx Bioscience Holdings Ltd, plans to purchase stakes in two medicine producers for a total of US\$38 million. (<a href="#">中文版请点击这里</a>)</li> </ul>	China Knowledge Press
<b>Manufacturing</b>		
05/04/2010	<ul style="list-style-type: none"> <li>Baosteel Resources Co., Ltd., a wholly-owned subsidiary of Baosteel Group, has signed an agreement to acquire a 12% stake in Yunnan Wenshan Dounan Manganese Industry Co., Ltd., engaged in metal manufacturing. (<a href="#">中文版请点击这里</a>)</li> </ul>	Datamonitor's Financial Deals Tracker
04/30/2010	<ul style="list-style-type: none"> <li>Jiangsu Aoyang Technology Corp Ltd (SZ: 002172), which is principally engaged in the manufacture and distribution of chemical fiber, recently will purchase a 60% stake in an affiliated company to become the sole owner of the firm for US\$38.82 million. (<a href="#">中文版请点击这里</a>)</li> </ul>	China Knowledge Press
<b>Real Estate</b>		
05/06/2010	<ul style="list-style-type: none"> <li>Shanghai Lujiazui Finance &amp; Trade Zone, a real estate developer based in Lujiazui, Shanghai, plans to spend US\$199.24 million in cash for certain assets from parent company. (<a href="#">中文版请点击这里</a>)</li> </ul>	China Knowledge Press

## Telecom, Media & Technology

04/30/2010

- [China Technology Development Group Corporation entered into a Cooperation Framework Agreement with Xintang Media Technology \(Beijing\) Ltd., shareholders of Xintang Media and the related companies to acquire Xintang Media indirectly. \(中文版请点击这里\)](#)

StreetInsider.com

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### **China's Government Stimulus Package: Looking Back While Forging Ahead?**

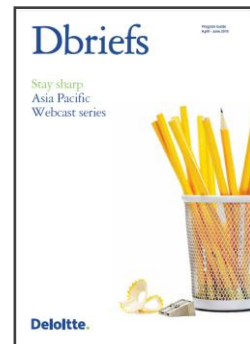
**27 May, 5:00 – 6:00 PM HKT (GMT +8)**

**Host: Nick Cham**

**Presenters: Ken Dewoskin and Jill Qu**

Although China has received many compliments for its prompt response to the financial downturn, some analysts are examining the government's stimulus plan and its ongoing impact on the Chinese economy. If China scales back stimulus spending, what opportunities and risks could companies operating there face? We'll discuss:

- Indicators of stimulus package effectiveness, including stabilised housing and equity markets, domestic investment opportunities for Chinese companies, and reorientation toward more moderate and sustainable growth.
- How can China balance its economy, and what are prospects for short-term and long-term growth?
- Major constraints on China's economic strategy and how might they affect companies doing business there.



Understand strengths and weaknesses of the Chinese economy while gaining insights on China's growth prospects.

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5月27日下午3时半—4时半（香港/北京时间，GMT +8）

主持人：虞正

主讲人：屈倩如及曹文正

中国对全球金融危机做出的积极迅速响应得到了各界的好评，然而也有一些分析师在检讨政府经济刺激计划的效果及其对中国经济的长远影响。如果政府减小经济刺激力度，那么在华运营的公司会面对怎样的机遇和风险呢？我们将讨论：

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- 中国如何平衡其经济结构？短期及长期的增长预期如何？
- 中国经济战略的局限及其对在华公司可能的影响。

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## Global CSG Report of Interest

### The emergence of China:

*New frontiers in outbound M&A*

Chinese outbound M&A flows have remained relatively resilient despite the global credit crisis, with quarterly deal values expanding from US\$1.3 billion (10 announced transactions) in Q1 this year to US\$8.9 billion (26 announced transactions) in Q3, according to the latest "The emergence of China: New frontiers in outbound M&A" report from Deloitte. There were 61 Chinese outbound acquisitions with an aggregate value of US\$21.2 billion during the first three quarters.

The report outlines the trend for outbound M&A deals initiated from China. It also studies the key factors that are driving Chinese outbound M&A transactions and potential hurdles that regional firms are likely to encounter in the future.

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The Chinese Services Group (CSG) of Deloitte Touche Tohmatsu assists companies investing and operating in China as well as works closely with Chinese companies seeking overseas expansion opportunities.

Whether Chinese companies are entering the China market for the first time or seeking to optimize existing operations, the CSG, in collaboration with the China firm, can help identify an expanding range of opportunities to manufacture, source, and/or sell in China and navigate the associated risks. Multidisciplinary service lines include:

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

The CSG 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 CSG 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 CSG, please click on the following link:

- China Firm + Global CSG = Chinese Dimension
- A Differentiating Factor for Our Clients

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