



全国工商联并购公会
China Mergers & Acquisitions Association

The China Deals in a global deal market

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The globalization of deals market

- Wall Street failure and the crisis of business ethics
- Mid market dealers running the frontier
- Deals booming in Emerging market
- Deal valuation model simplified and transparent
- Deal networking and outsourcing build up a deal market and communities
- Case: capital connection model in Tianjin: 5500 (1997), 6500(1998), 6900 (1999).
- A call for a global deal market and alliance
- CMAA will join the venture
- A global alliance of Mid Market Dealers: forums, outsourcing platform, education and certificates, deals tours, databases and deal exchange, etc.,



Significant China Deals Abroad in 2009

Date Announced	Acquirer	Target	Target Region	Transaction Value Billion\$	Industry	state
2/12/2009	ChinaLOC	Rio Tinto 8%	Australia	19.5	Metals & Minerals	Failed
2/17/2009	China Minmetals	OZ Minerals 100%	Australia	1.7	Metals & Minerals	Closed
2/26/2009	CNPC	Verenex 100%	Canada	0.38	Oil & Gas	Closed
5/25/2009	CNPC	Singapore Petroleum 45.5%	Singapore	1.02	Oil & Gas	Closed
6/02/2009	Sichuan Tengzhong	GM's Hummer	USA	<0.5	Auto Manufacturers	Pending
6/24/2009	Sinopec	Addax 100%	Switzerland	7.24	Oil & Gas	Closed
6/25/2009	Sunning	Laox 27.36%	Japan	0.01	Consumer Goods	Closed
6/29/2009	Jiansheng and Cardanro	Pierre Cardin	France	0.27	Consumer Goods	Closed
7/03/2009	China Investment Corporation	Teck Resources 17%	Canada	1.5	Metals & Minerals	Closed
8/04/2009	Geely	FORD's VOLVO	USA	2	Auto Manufacturers	Pending
8/12/2009	China Construction Bank	AIGF	USA, Hong Kong	0.07	Bank	Closed
8/12/2009	Sinochem	Emerald Energy	UK	0.88	Oil & Gas	Closed
8/13/2009	Yanzhou Coal	Felix Resources	Australia	2.9	Metals & Minerals	Closed

The plausible facts about China deals

1. Government dominated
2. State Owned Enterprise (SOE) operated
3. Bottleneck of “China rising” oriented
4. Not priced and financed by market rate
 - Yes or No?
 - As a part of global economy, do we need a stronger China ? And better economy?

The paradox: China bashing and China deal chasing

The illusions of both sides



The dynamics of China deal booming

- Economy upgrading: from trade, workshop to consumption
- The top-down business integration (SOEs)
- The bottom-up privatization process
- Financial deregulation: bonds & LBOs
- Mega deals and outward deals rising
- M&A becomes a mainstream power for restructuring economy
- the Stimulation package push up mega deals
- Does the Government make the synergy



How we judge on China deals

- Assets buy-out or company buy-in
- National pride or global competitiveness
- Financial valuation or sustainable economy growth
- Government running or government supporting
- Business competing or strategic alliance
- What are the long run results: social resentments, political barriers, national interest issues
- The China deal risk
- “And the trouble is, if you don’t risk anything, you risk even more”



The briefs of CMAA

- A national association , over 100 members
- Promoting M&A deals and policy lobbying
- Beijing\Shanghai\Hong Kong\Shenzhen offices
- Web portal: www.ma-china.com
- Ranking Top Ten dealers and deals since 2001
- Holding China M&A National Conference since 2002
- Publishing <China M&A Yearbook> since 2000
- Publishing China M&A Express biweekly
- Publishing <The China Dealmaker> magazine
- Welcome to be our global partner!



Thanks!

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