

# ZPMC positioned to continue global growth

By HE WEI in Shanghai  
hewei@chinadaily.com.cn

Officials at China's top machinery maker are confident that the continued diversification of its portfolio, aimed at producing high-caliber products at the lowest possible price, will ensure it maintains a powerful position in the global market, despite a decrease in international demand for shipbuilding and major infrastructure projects.

As the main components for its latest high-profile project, Norway's Hardanger Bridge, eased their way out of port in Shanghai on Wednesday, Shanghai Zhenhua Heavy Industries Co Ltd (ZPMC) insisted it feels well-positioned to weather the current choppy economic waters and wrestle market share away from under-pressure competitors.

The steel structures for the main body of the bridge, heading for Scan-

dinavia, mark the company's first venture into Europe in steel bridge-making. They mark the latest step in a global expansion that involved 82 countries and regions this year, it said.

Hardanger is a suspension bridge that will have one of the longest spans in the world after it replaces a ferry connection for long-distance travel and transport in Southwest Norway.

Helge Eidsnes, regional road manager of the Norwegian Public Roads Administration, said he was fully confident that what are complicated requirements — for Norway's longest bridge — will be met by the Chinese contractor, on-time and on-budget.

Formally known as Shanghai Zhenhua Port Machinery Co Ltd, ZPMC is considered the largest heavy equipment manufacturer in the world, and has in the past five years expanded into producing a wider range of industrial machinery — including heavy cranes, offshore engineering

ships and large steel parts — on top of the traditional port equipment with which it dominates the world market.

It's that diversification, in reaction to an economic slowdown that has slashed global demand for shipbuilding, and its ability to cash in on other overseas infrastructure works, including bridges and offshore machinery, that has played the main role in its success, said Tan Guangren, the company's public relations officer.

Its most recent annual report showed that in 2011, ZPMC signed \$4 billion worth of manufacturing contracts, 80 percent of which came from advanced economies in Europe, America and Asia.

Despite ongoing global economic turmoil, the company registered a net profit of \$30 million yuan (\$4.7 million) after seeing a severe loss in 2010, whereas most of its competitors were firmly in the red.

More than 60 percent of its revenues generated last year were attributable to overseas deliveries.



Shanghai Zhenhua Heavy Industries Co Ltd's booth at the China International Offshore Oil and Gas Exhibition in August 2011 in Shanghai. The company registered a net profit of \$30 million yuan (\$4.7 million) last year.

According to Tan, the ability to combine high-caliber products with lower prices is also important in combating the ongoing recession in the West.

"International buyers approach us because they know of our reputation for sound, cost-effective products," he said.

Apart from the Norway project, the company has just kicked off one for a bridge project in Scotland, which involves 111 steel box beams and various other steel structures and is due for delivery in September 2014.

Industry insiders say that Chinese heavy machinery makers may quickly

catch up with their rivals in South Korea and Singapore, as the industry moves away from technology and manufacturing and toward being more about project operation and management, leaving companies that are willing to diversify, such as ZPMC, perfectly positioned to continue to expand.

# VC, private equity firms looking overseas for opportunities in China

By CAI XIAO  
caixiao@chinadaily.com.cn

Venture capital and private equity companies that concentrate on opportunities in China are now looking to invest in foreign companies, especially those with plans to expand in China.

The cash-rich companies' overseas forays are coming as opportunities in the Chinese market become less common amid the country's worst economic slowdown in nearly three years.

A Capital, a Beijing-based European private equity firm that invests

in European companies, is trying to raise up to 500 million euros (\$613.6 million) from Chinese investors such as China Investment Corp, the country's sovereign wealth fund.

"We have a dozen deals in progress," said Andre Loesekrug-Pietri, chairman of A Capital.

Loesekrug-Pietri declined to say which companies A Capital is investing in, but among them, he said, is a well-known consumer product company in northern Europe — which has less than 2 percent of its global sales in the Chinese market — an automotive company in Germany and an energy company.

A Capital plans to initially hold

minority stakes in the consumer-product and energy companies. Doing so, Loesekrug-Pietri explained, will not only lower the company's investment risks but also come as a form of cooperation that is more acceptable to the beneficiaries of the investments.

"Going for a minority stake is increasingly recognized as a way to tap into high quality assets that would otherwise not be for sale or out of reach for Chinese investors," he said.

"All of these three companies are very profitable," Loesekrug-Pietri said.

"They do not need money but they are ready to talk to us because we not only bring them money but solutions

to grow faster in China."

He said Chinese companies are eager to import advanced technologies and management experience. He also said that European companies feel confident about China's economy, and that those who have succeeded or will succeed the current owners of these companies will be more open to bringing in strategic or financial investors.

Wu Kezhong, president of the Shanghai-based Chinese private equity firm PreIPO, said Chinese companies generally have the wherewithal needed to make investments.

"China lacks important and sustainable research and development

technologies, not money," Wu said. "We are bringing three global clean-technology projects to China."

In May, the Beijing-based China Broadband Capital Partners invested \$70 million into the US software company Evernote Corp, one of the largest investments by a Chinese venture capitalist in a foreign company this year.

The investment firm IDG Capital Partners took part in a Belgium-based deal when it put \$7 million into Glam-Smile Dental Technologies Ltd earlier this year, according to the magazine Asia Private Equity Review.

Jacob Rothschild, chairman of the UK-based investment trust RIT Capital Partners PLC, has said he is work-

ing to establish RIT's first fund that will be aimed both at helping Chinese companies expand overseas and at attracting foreign companies that possess advanced technology to China.

RIT and the Chinese equity investment fund CREAT Group have committed \$100 million in seed money to a joint venture that they hope will eventually raise \$750 million. The other investors in the project are expected to be made up mainly of private Chinese enterprises.

"We will take influential minority stakes in companies," Rothschild said. "In line with our investment philosophy, we will act as a supportive partner to management."



## Joanna Real Estate

<b>Yosemite - 伏山美地</b> ID: 6997 365sqm, 4bedrooms ¥42,000 type C9, townhouse, big garden, sizable balcony	<b>Beijing Riviera - 香江花园</b> ID: 7365 450sqm, 5bedrooms ¥53,000 type A, phase I, detached, big garden, big balcony	<b>Rose and Ginkgo - 龙湖滟澜山</b> ID: 12379 360sqm, 5bedrooms ¥40,000 big garden, big balcony, under floor heating	<b>Orchid Garden - 卓锦万代</b> ID: 1082 310sqm, 4bedrooms ¥36,000 townhouse, 60sqm garden, under floor heating
<b>SanlitunSOHO - 三里屯SOHO</b> ID: 16111 158sqm, 2+1bedrooms ¥19,000 high floor, good view, value for money	<b>Central Park - 新城国际</b> ID: 1030 320sqm, 4bedrooms ¥47,000 phase I, south facing, garden view	<b>Park Avenue - 公园大道</b> ID: 7920 210sqm, 3bedrooms ¥36,000 1st floor, nice garden	<b>Upper East Side (IV) - 阳光上东-安徒生花园</b> ID: 4389 200sqm, 3bedrooms ¥34,000 south facing, garden view, nice balcony

<b>Apartment for Rent in Beijing</b> <b>CBD Area</b> Central Park - 新城国际 (I-II) 2Br. 132sqm south facing ¥17,000 3Br. 188sqm south facing ¥25,000 4Br. 265sqm garden view ¥42,000 4Br. 320sqm high floor ¥45,000 Central Park - 新城国际 (III) 2Br. 140sqm garden view ¥18,000 3Br. 175sqm south facing ¥25,000 3Br. 188sqm high floor ¥26,000 3+1Br. 220sqm good view ¥35,000 Central Park - 新城国际 (IV) 2Br. 138sqm garden view ¥20,000 3Br. 188sqm high floor ¥28,000 4Br. 264sqm south facing ¥42,000 4Br. 286sqm good view ¥45,000 Global Trade Mansion - 世贸国际 3Br. 180sqm good view ¥22,000 3Br. 259sqm garden view ¥24,000 3Br. 267sqm high floor ¥25,000 Fortune Plaza - 财富中心 2Br. 140sqm middle floor ¥15,000 3Br. 167sqm high floor ¥18,000 CBD Private Castle - 圣世一品 2Br. 105sqm middle floor ¥12,000 3Br. 170sqm good view ¥17,000	<b>Lido Area</b> Upper East Side - 阳光上东 3Br. 160sqm high floor ¥12,000 3Br. 220sqm south facing ¥20,000 4Br. 248sqm high floor ¥23,000 4Br. 270sqm garden view ¥30,000 Upper East Side (II) - 阳光上东(滨河) 3Br. 218sqm middle floor ¥25,000 3Br. 230sqm 1st floor, nice garden ¥30,000 Upper East Side (IV) - 阳光上东-安徒生花园 3Br. 239sqm middle floor ¥23,000 4Br. 253sqm south facing ¥24,000 4Br. 280sqm good view ¥30,000 Richmond Park - 丽都水岸 2Br. 121sqm middle floor ¥12,000 3Br. 180sqm good view ¥17,000 3Br. 217sqm south facing ¥25,000 4Br. 339sqm big balcony ¥38,000	<b>Lufthansa Area</b> United Apartment - US联邦公寓 2Br. 165sqm high floor ¥15,000 3Br. 200sqm high floor ¥18,000 4Br. 230sqm high floor ¥22,000 Chevalier - 裘马都 3Br. 220sqm garden view ¥22,000 4Br. 290sqm high floor ¥25,000 Mixion Residence - 九都汇 1Br. 92sqm good view ¥10,000 1+1Br. 110sqm brand new ¥13,000 2Br. 140sqm open kitchen ¥15,000 3Br. 180sqm good view ¥25,000	<b>Jing Shun Road Close to ISB</b> Yosemite - 伏山美地 4Br. B1 498sqm detached ¥48,000 4Br. B2 570sqm nice garden ¥55,000 4Br. B6 505sqm big garden ¥53,000 4Br. C6 453sqm nice garden ¥52,000 4Br. C9 358sqm big garden ¥38,000 Beijing Eurovillage - 欧陆苑 4Br. 252sqm big garden ¥25,000 4Br. 280sqm nice garden ¥27,000 Le Leman Lake - 莱蒙湖别墅 4Br. A 682sqm big garden ¥50,000 4Br. B 578sqm big garden ¥45,000 4Br. C 516sqm 100sqm garden ¥40,000 Capital Paradise - 名都园 3Br. 159sqm semi-detached ¥13,000 3Br. 196sqm nice garden ¥17,000 4Br. 229sqm detached ¥23,000 River Garden Villa - 裕景花园 3Br. A 200sqm 20sqm garden ¥25,000 4Br. B 247sqm big garden ¥30,000 3Br. C 260sqm nice garden ¥32,000 Dragon Bay Villa - 龙湾别墅 3Br. 290sqm special offer ¥25,000 4Br. 370sqm big garden ¥30,000 Rose and Ginkgo Villas - 龙湖滟澜山 4Br. 350sqm big garden ¥34,000 4Br. 400sqm luxury decoration ¥40,000
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<b>Sanlitun Area</b> GuangCai Int'l Apartment - 光彩国际公寓 3Br. 217sqm good view ¥24,000 4Br. 270sqm high floor ¥33,000 SanlitunSOHO - 三里屯SOHO 2Br. 147sqm middle floor ¥18,000 3Br. 209sqm high floor ¥28,000 3Br. 250sqm middle floor ¥30,000 4Br. 483sqm penthouse ¥70,000	<b>Chang'an Avenue</b> China Center Place - 华贸中心 2Br. 155sqm middle floor ¥13,000 3Br. 215sqm high floor ¥22,000 Gemdale Int'l Garden - 金地国际花园 2Br. 148sqm middle floor ¥13,000 3Br. 200sqm south facing ¥23,000	<b>Villas for Rent in Beijing</b> <b>Airport Expressway Area</b> Chateau Regalia - 丽高王府 3Br. 250sqm nice garden ¥20,000 4Br. 323sqm vicecount ¥30,000 5Br. 465sqm earl ¥38,000 Dynasty Garden - 丽都花园 3Br. D 286sqm 50sqm garden ¥21,000 4Br. D 400sqm two gardens ¥25,000 4Br. B 365sqm special offer ¥35,000 5Br. H 600sqm big garden ¥45,000 Rits Garden - 丽嘉花园 4Br. 410sqm nice garden ¥40,000 4Br. 450sqm big garden ¥45,000 5Br. 500sqm full furniture ¥50,000 Australian Garden - 澳景园 4Br. 450sqm 400sqm garden ¥38,000 5Br. 600sqm nice garden ¥55,000 LA GRANDE VILLA - 誉天下 4Br. 275sqm nice garden ¥18,000 4Br. 375sqm full furniture ¥20,000
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<b>Beijing Riviera - 香江花园</b> 4Br. A 403sqm big garden ¥42,000 4Br. B 406sqm detached ¥45,000 4Br. C 294sqm nice garden ¥40,000 3Br. E 240sqm modern furniture ¥35,000 4Br. F 465sqm big garden ¥65,000	<b>Lane Bridge Villa - 长岛澜桥</b> 4Br. 296sqm nice garden ¥28,000 4Br. C 502sqm big garden ¥36,000 <b>Orchid Garden - 卓锦万代</b> 4Br. 350sqm big garden ¥35,000 4Br. 400sqm nice garden ¥40,000 <b>Grand Hills - 大湖山庄</b> 4Br. K 480sqm nice garden ¥55,000 5Br. J 711sqm big garden ¥50,000 <b>Quan Fa Garden - 泉发别墅</b> 4Br. 280sqm special offer ¥25,000 6Br. 650sqm nice garden ¥40,000
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Website: beijing.joannarealestate.com.cn E-mail: joanna@joannarealestate.com

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<b>Victoria Gardens</b> : 3Br 2Ba 167sqm ¥18,000 value for money ID:7527 Fully furnished apartment, two large balconies, open kitchen with cooker and dishwasher, wooden flooring with under floor heating, quiet compound near convenience stores, restaurants and Chaoyang Park.	<b>Central Park</b> : 3Br 2Ba 180sqm ¥29,000 ID:0495 This newly renovated 21st floor apartment comes with dark wooden flooring and new high quality furniture throughout, with a beautiful garden and city view from its big balcony. It is located in a quiet compound.
<b>River Garden Villa</b> : 5Br 4Ba 220sqm ¥30,000 ID:0904 This fully furnished detached villa comes with modern decor, a big garden, a sunroom and under floor heating throughout.	<b>Palm Springs</b> : 3Br 2Ba 175sqm ¥23,000 value for money ID:5907 This beautiful apartment situated on the 11th floor comes with wooden flooring throughout, brand new modern furniture, and a stunning view of the compounds garden and lake. Perfect for individuals and families alike.
<b>Four Seasons</b> : 3Br 2Ba 256sqm ¥48,000 ID:11176 This lovely apartment comes with a spacious living room, brand new modern furniture, and a stunning garden/river view. Four Seasons is a brand new property in walking distance of Kempinski Hotel.	<p><b>Hotline: 010-8458 5475/ 137 0108 0877</b></p>