

# Lipton to sell Guizhou tea globally

By ZHU WENQIAN in Beijing and YANG JUN in Guiyang

Lipton plans to sell tea bags containing black and green tea produced in Zunyi, Guizhou province, nationwide and later worldwide, marking the first time it has used purely Zunyi-produced tea.

Lipton, a tea brand under consumer goods giant Unilever PLC, launched the new product in Guiyang, capital of the province, this week, and the company plans to start selling it in July.

Guizhou is expected to provide 50 metric tons of raw tea annually to Lipton, and the tea bags will be made in Lipton's manufacturing base in Huangshan, Anhui province, the company said.

With its subtropical climate and clean air, Guizhou is ideal for growing high-quality tea. The new product is based on Asian preferences.

"Some time is needed to examine the product if it is to be sold abroad. But the tea produced in Guizhou has a safety guarantee, and it is easier to meet standards," said Zeng Xiwen, vice-president of Unilever North Asia.

In 2016, Unilever launched a sustainable tea planting poverty alleviation project in



Farmers pick tea leaves at a plantation in Zunyi, Guizhou province, on May 6. YANG JUN / CHINA DAILY

Zunyi, and the company found that the tea produced locally was of sufficient quality to enter higher-end markets. It then introduced the Zunyi-produced tea into its global procurement system.

"The project will help to raise the quality and reputation of locally planted tea, upgrade related sectors and fuel the transformation of economic benefits to social benefits," Zeng said.

Last year, 335 hectares of tea plantations in Zunyi were

certified by Rainforest Alliance, a New York-based NGO that aims to protect biodiversity and achieve sustainable development by changing earth utilization models and consumer behavior.

By 2020, the certification of 6,700 hectares of tea plantations in Zunyi is expected to be completed. This process has helped to lay the foundation for the internationalization of Guizhou tea.

Meanwhile, Unilever will donate 1 yuan (16 cents) to the

China Youth Development Foundation for each box of Zunyi-made tea it sells, and the funds will be used for local charity programs. In addition, the company will provide free training and management for some impoverished tea farmers and give them work.

Zhao Yandi contributed to this story.

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# Chinese interest for US IPOs still strong

Trade disputes haven't curbed businesses' plans to list overseas

By ZHANG RUINAN in New York  
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Chinese companies are looking to launch IPOs in the United States regardless of the ongoing trade tensions between the two countries.

"Despite the heated talk on trade, I remain an optimist about US-Chinese relations, economic and otherwise," said Drew Bernstein, co-head of the China practice at Marcum Bernstein & Pinchuk and an auditor of Chinese IPOs in the US. "I can tell you that we are getting more inquiries about US IPOs from China right now than at any time in recent memory."

Chinese IPOs in the US accounted for about a fifth of US IPO proceeds in the first quarter this year, according to Renaissance Capital, an IPO research firm based in Connecticut.

"There are several factors that make a US listing attractive to Chinese companies," said Bernstein. "Time to market can be much faster, given that IPOs need to meet disclosure requirements but are not subject to government approval and don't have to wait in line."

"The US also has very active, liquid markets for follow-on equity and debt offerings. As long as a company performs financially, they can return for multiple rounds of funding at a lower cost of capital," Bernstein said.

Matt Kennedy, IPO market strategist at Renaissance Capital, said: "There is a backlog of Chinese IPOs there pending approval. There are several

"We continue to see a wide spectrum of the readiness of teams to truly be successful as US public companies."

Drew Bernstein, co-head of the China practice at Marcum Bernstein & Pinchuk

restrictions in place... And the dynamic in China seems to favor investors rather than issuers."

However, Kennedy said Chinese IPOs' performance so far this year has been disappointing.

"Looking at the eight companies that have listed in the US, six of them have had a negative return. The two positive ones (microcaps) have raised less than \$15 million. Also, investors are not making money on Chinese IPOs," he added.

"We continue to see a wide spectrum of the readiness of teams to truly be successful as US public companies," Bernstein said. "That is why when I talk to Chinese CEOs, I always frame this as training for a marathon while running a sprint. You don't want to be that broken IPO that does only one financing, and two years after the opening bell trading has dried up, analysts have dropped you, and institutional funds have fled."

Kennedy said in 2017 and in the first quarter of 2018, Chinese IPOs in the US hit a multi-year high, but changes in China's exchanges could affect that. He said Chinese mainland technology firm Xiaomi Corp was considering listing in the US at one point, but submitted its application for an

IPO in Hong Kong last week.

"Everyone is fixated right now on the changes that Hong Kong has made to its listing standards to accommodate dual-class shares so as to be able to attract the big China tech unicorns," Bernstein said. "While I do think this makes Hong Kong more viable at the margin, there are a whole host of factors that go into choosing the best listing venue, and dual-class now creates a level playing field between the US and HKEX."

Bernstein said that there is also a lot of discussion about the potential for China depository receipts to enable tech titans such as Alibaba and Tencent to tap into Chinese shareholders.

China's securities regulator published draft rules on the issuance of CDRs on May 4, paving the way for the domestic flotation of offshore-listed companies and the launch of a cross-border link between the exchanges in Shanghai and London.

The rules on CDRs, modeled after American depository receipts, came days after the Hong Kong Stock Exchange adopted new rules to broaden its listing regime, intensifying a battle for listing resources. Both Beijing and Hong Kong are targeting the likes of Baidu Inc, Alibaba Group Holding Ltd and JD by allowing them to list at home via secondary listings.

The rules "lay the foundation for innovative companies to return to the domestic capital markets via the issuance of CDRs", the China Securities Regulatory Commission said on its website.

"There are a lot of technical issues that would need to be ironed out, but I think that giving Chinese investors access is ultimately a positive," according to Bernstein.

Reuters contributed to this story.

# Tencent signs UK creative partnerships

By CECILY LIU in London  
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Technology giant Tencent Holdings Ltd has announced several high-profile deals to help British creative industry companies and organizations, such as the BBC and British Fashion Council, to reach the Chinese market.

One of China's top three internet companies alongside Alibaba Group Holding Ltd and Baidu Inc, Tencent is a pioneer of the nation's digital economy growth.

The company derives most of its revenue from games, but in recent years it has engaged with a number of cultural and

creative industry projects in China, such as helping the Beijing-based Palace Museum to digitalize its information.

The deals announced in London on Wednesday are a continuation of this expansion into the cultural and creative industries. They also coincide with British companies' growing efforts to develop their businesses further afield, amid uncertainty over Britain leaving the European Union.

The agreements have been bundled together in an official partnership signed between Tencent and the British government's Department for International Trade.

Seng Yee Lau, senior executive vice-president of Tencent,

said the deals will see the company using its digital technology strength to help scale up the impact of the UK's world-leading creative and cultural industry products.

He said they were not being done with short-term profits in mind. Rather, the deals fit in with the company's vision to create an open and free information ecosystem.

"Openness, partnership and sharing at a global level have become our common vision for the future of human development in this digital era," Lau said.

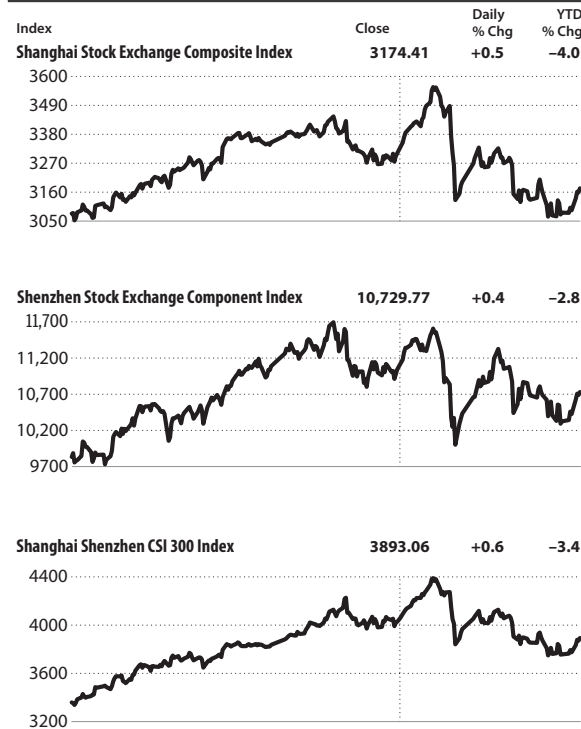
Liam Fox, the UK's secretary of state for international trade, said the deals will "accelerate the growth of the

global digital creative industries, in which the UK is a world leader".

In the film sector, Tencent's subsidiary Penguin Pictures will work with the BBC in a three-year partnership in co-production and content distribution. The deal comes in the wake of last year's successful co-production of the documentary *Blue Planet II*, which garnered a record-breaking 220 million views.

The partnership with the British Fashion Council focuses on using Tencent's artificial intelligence technology and big data analysis to help British fashion companies better target Chinese customers.

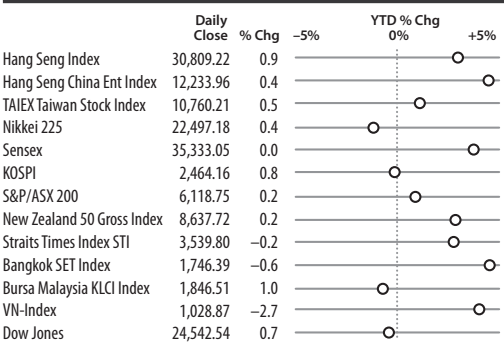
## Daily Stock Market Performance



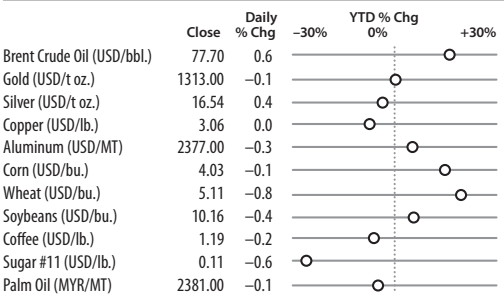
## Gainers and Losers

GAINERS		LOSERS			
Close	Daily % Chg	Close	Daily % Chg		
<b>Shanghai Stock Exchange</b>					
Zhejiang Jiuzhou Pharm	10.63	10.04	Aurora Optoelectronics	10.27	-9.99
Hangzhou Cable Co Ltd	8.00	10.04	Flying Technology Co	16.00	-6.76
Qingdao Copton Tech	18.99	10.02	ZhejiangXinan Chem Ind	16.75	-5.95
ShanghaiPutailanWEnTch	48.02	10.01	Shanghai Baosight Sftw	29.19	-5.29
JiangsuFlwrsKngHrtcltr	14.52	10.00	ZhejingWmgjEnvrnmntPrtc	25.17	-5.20
ZhejiangJiaEnprtrchStck	39.50	10.00	ShanghaiFukngIntrtrEnt	5.53	-4.98
Wuhan Thalys Med Tech	27.62	10.00	Langfang Development	8.20	-4.98
Inly Media Co Ltd	14.32	9.98	Dalian Dafu Entrpr	2.12	-4.93
Ningbo Haitian Prec Mach	12.45	9.98	Shandong Xinchao Enrgy	3.09	-4.92
Hubei Zhenhua Chemical	12.01	9.98	Anhui Sun-Create Elec	56.20	-4.57
<b>Shenzhen Stock Exchange</b>					
GalaxyBiomedical Invst	6.90	10.05	NAURA Technology Group	49.50	-5.23
HunanChina Sun Ph Mach	8.93	9.98	Taiji Computer Corp	30.27	-5.08
AnhuiGujing Distillery	77.56	7.66	CEFC Anhui Intl	3.04	-5.00
Holitech Technology Co	10.99	6.91	Northcom Group Co Ltd	25.01	-4.87
Walvax Biotechnology	24.78	6.86	Beijing SuperMap Sftw	19.30	-4.46
Hualan Biological Eng	33.08	6.64	ChangshaJngjMcrlctrcms	52.19	-4.17
Shenzhen Deren Electr	19.75	6.30	Beijing Sinnet Tech	15.66	-3.93
Giant Network Group Co	26.99	6.13	Thunder Software Tech	34.58	-3.81
Aier Eye Hospital	47.76	5.87	InspurEI Info Industry	24.19	-3.63
Jiangxi Zhengbang Tech	4.32	5.62	All Winner Technology	23.73	-3.18
<b>Hang Seng</b>					
China Shenhua Energy	20.45	3.49	China Resources Land	28.95	-1.53
Tencent Holdings Ltd	406.20	2.94	Bank of Communications	6.22	-0.96
CNOOC Ltd	13.90	2.81	Geely Automobile	22.70	-0.66
Lenovo Group Ltd	3.79	2.16	Power Assets Holdings	58.85	-0.59
AIA Group Ltd	71.10	2.01	China Unicom Hong Kong	10.68	-0.56

## International Stock Markets



## Commodities



## Cross Currency Rates

	USD	EUR	CNY	HKD	GBP	KRW	BRL	RUB	JPY	INR	CAD
USD		1.187	0.157	0.127	1.357	0.001	0.278	0.016	0.009	0.015	0.782
EUR	0.842		0.133	0.107	1.142	0.001	0.235	0.014	0.008	0.013	0.659
CNY	6.355	7.545		0.810	8.619	0.006	1.768	0.102	0.058	0.094	4.971
HKD	7.850	9.321	1.235		10.648	0.007	2.184	0.126	0.072	0.117	6.140
GBP	0.737	0.875	0.116	0.094		0.001	0.205	0.012	0.007	0.011	0.577
KRW	1072.950	1271.960	168.693	136.686	1452.080		297.694	17.195	9.763	15.946	837.310
BRL	3.593	4.258	0.566	0.458	4.875	0.003		0.058	0.033	0.053	2.811
RUB	62.255	73.911	9.799	7.932	84.445	0.058	17.321		0.567	0.937	48.695
JPY	109.770	130.340	17.275	13.984	148.892	0.103	30.540	1.763		1.631	85.860
INR	67.286	79.887	10.588	8.572	91.261	0.063	18.720	1.081	0.613		52.628
CAD	1.279	1.518	0.201	0.163	1.734	0.001	0.356	0.021	0.012	0.019	

## ETFs

EQUITY ETFs	Ticker	Close	Daily % Change
China 50	510050	2.72	0.44
China AMC CSI 300 Index	510330	4.21	0.65
China CSI 500	510500	6.37	0.41
China SME	159902	3.54	0.60
China Universal CSI Consumer Staples Index	159928	2.32	1.40
E Fund ChiNext Price Index	159915	1.76	0.74
E Fund CSI 300	510310	1.65	0.49
E Fund CSI 300 Financials ex Banks Index	512070	1.88	0.86
E Fund Hang Seng China Enterprises Index	510900	1.25	0.64
E FUND SZSE100 INDEX FUND	159901	4.79	0.65
Fortune SGAM Xianjin Tianyi Money Market	511990	100.01	0.00
Guangfa CSI 500	510510	1.68	0.36
Guotai Shanghai Stock Exchange 180 Financial Index	510230	6.01	0.40
Harvest CSI 300 Index	159919	4.24	0.67
Huatai-Pinebridge CSI 300	510300	3.90	0.67
Shanghai SSE180	510180	3.32	0.61
SSE Pledge Urban Investment Bond	511220	93.80	-0.14
Yinhua Traded Money Market Fund	511880	101.57	0.00

Data provided by Bloomberg