

FLOATS

# SF eyes backdoor listing

Rare-earth metals company Dingtai to be utilized in Shenzhen listing

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SF Express, one of China's largest courier firms, is planning the reverse takeover of a rare-earth metals company, which will allow it a backdoor listing on the Shenzhen Stock Exchange.

The move came to light with a regulatory filing to the Shenzhen exchange by Maanshan Dingtai Rare Earth & New Materials Ltd, a little known Anhui-headquartered operation, and involves an asset swap and issuance of new shares.

If successful, the move — which values the eventual firm at 43.3 billion yuan (\$6.6 billion) — will be the latest by a courier company seeking to leverage resources from the capital market.

SF Holdings, parent of SF Express, is named as the buyer, in what is described in the document as a plan to attract investors to fund its overseas expansion plans.

If the deal is approved by the China Securities Regulatory Commission, Dingtai will officially acquire SF Express,



SF Express employees sort parcels at a distribution center in Shenzhen, Guangdong province.

STEVEN WANG / FOR CHINA DAILY

## \$6.6 billion

the valuation of SF Express in its listing plan

with the purchase funded by issuing new shares to the courier company.

Dingtai will be converted into a logistic company, controlled by SF Express Chairman and founder Wang Wei, according to the filing.

The 43.3-billion-yuan valua-

tion would exceed the combined size of the two privately held Chinese couriers to reveal listing plans in recent months: YTO Express (17.5 billion yuan) and STO Express (16.9 billion yuan).

The filing describes the value as "reasonable", considering SF Express' current business model, market share and other performances indicators.

SF Holdings is known to be backed by leading private equity players including CITIC Capital Holding Ltd, Oriza Holdings, China Merchants

Group and Jade Capital.

Shares in its intended shell company have been suspended from trading since April 5, according to the filing.

According to a research note by Minsheng Securities Co, SF Express is well ahead of its rivals in terms of its infrastructure, talent pool, management model and most importantly, business model.

The logistics company is also expanding into other areas, such as payment and supply chain management, Minsheng said.

INDUSTRY

# Tsinghua Unigroup sticks to Taiwan investment plan

By MA SI and YANG JUN in Guiyang  
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The chairman of chip giant Tsinghua Unigroup Ltd has insisted the Taiwan leadership transition will not affect the company's recently announced investments on the island.

His comments came as the Taiwan authorities were reported to have begun reviewing the Beijing-based firm's proposals to buy stakes worth nearly \$1 billion in two Taiwan chip packaging and testing firms.

Zhao Weiguo, the Unigroup chairman, said: "No matter who is the leader of Taiwan, there is always a desire there for development. "There is no chance of Taiwan growing unless there is outside investments. Therefore, it will won't affect our business."

The State-owned firm revealed last year it was investing \$365 million in ChipMOS Technologies Inc, and around \$600 million in Powertech Technology Inc, for 25 percent stakes in each.

The deals would make Unigroup the largest shareholder in Powertech and second largest in ChipMOS.

**“No matter who is the leader of Taiwan, there is always a desire there for development.”**



Zhao Weiguo, chairman of Tsinghua Unigroup Ltd

But both have been cast into doubt after Taiwan's new leader Tsai Ing-wen was inaugurated on Friday. Tsai had earlier claimed the deals were a "huge threat" for Taiwan.

Zhao added: "Investing into Taiwan firms can facilitate and accelerate our development."

"But even if these deals are disapproved, we can do chip packaging and testing ourselves, and it would be a loss to Taiwan."

Unigroup has said it plans to spend 300 billion yuan (\$47 billion) over the next five years on research and development of chip technologies as well as acquisitions, in a bid to become one of the world's top-three chipmakers, which will put it on a par with global giants such as Intel Corp, Qualcomm Inc and Samsung Electronics Co.

The intensified efforts to boost its chip-related resources come as the mainland seeks to reduce its reliance on imported technology, amid worries that it posed a risk to national security.

Roger Sheng, a senior analyst at research firm Gartner Inc, currently on a business trip to Taiwan, said it has become increasingly difficult for mainland firms to acquire or invest in Taiwan firms since Tsai took office.

"It is not a unique problem for Unigroup, but an issue all mainland companies are going to face," Sheng said. "The Taiwan semiconductor industry is very cautious and anxious about mainland investment." But he added it was also tricky for Unigroup to engage in chip packaging and testing on its own.

EQUITIES

# Mainland stocks fall for first time in 3 days on fears raw materials will keep dropping

By BLOOMBERG

Chinese mainland stocks fell for the first time in three days, led by commodity producers, amid speculation raw-material prices will extend declines as a faltering economic rebound curbs demand.

The Shanghai Composite Index had slid 0.8 percent at

the close. Jiangxi Copper Co and Angang Steel Co dropped at least 1.2 percent, while Yanzhou Coal Mining Co retreated the most in two weeks. The Hang Seng China Enterprises Index was little changed. Turnover slumped in Shanghai and Hong Kong.

Raw materials have been on a tumultuous ride this year after tentative signs of a

demand revival in China ignited a firestorm of speculation. The frenzy led to a clampdown from regulators and exchanges, weakening prices once more, including for iron ore and steel.

Chinese manufacturing gauges and trade figures have also missed predictions, while a high-profile warning by the People's Daily about

## 0.8 percent

the decline in the benchmark Shanghai Composite Index on Tuesday

elevated levels of debt have dampened hopes for more easing.

"Game is over for specula-

tion on ferrous metals," said Steve Wang, chief China economist at Reorient Financial Markets Ltd in Hong Kong. "The official stance is clearly against speculation as State media and regulators seek to stabilize prices. Ferrous metals prices have made a round trip back to where their rally started in February and March."

The Shanghai Composite closed at 2,821.67 points. The Hang Seng Index added 0.1 percent as turnover fell 20 percent.

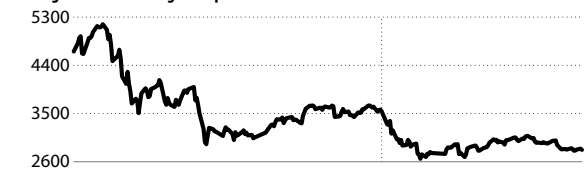
Gauges of materials and telecom companies in the CSI 300 slid at least 1 percent for the steepest losses among 10 industry groups. Angang Steel Co declined 2.1 percent, while Yanzhou Coal Mining

plunged 3.1 percent.

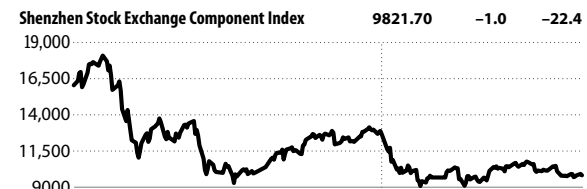
Ore with 62 percent content sank 6.7 percent to \$51.22 a dry metric ton on Monday, the lowest level since March 3, according to Metal Bulletin Ltd. After romping 23 percent higher last month as China's ill-fated frenzy gathered pace, the price has tumbled by the same amount so far in May.

### Daily Stock Market Performance

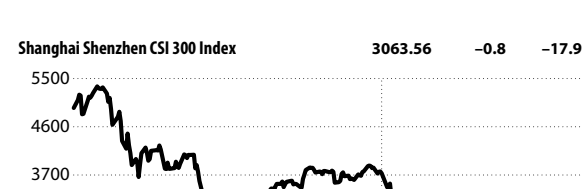
Index	Close	Daily % Chg	YTD % Chg
Shanghai Stock Exchange Composite Index	2821.67	-0.8	-20.3



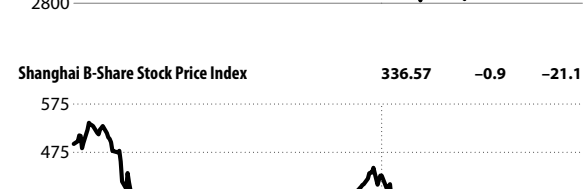
Shenzhen Stock Exchange Component Index	9821.70	-1.0	-22.4
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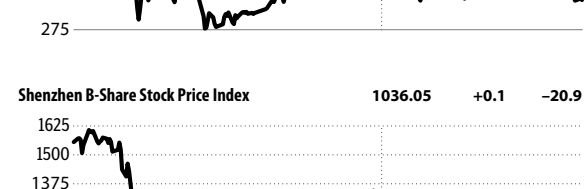
Shanghai Shenzhen CSI 300 Index	3063.56	-0.8	-17.9
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Shanghai B-Share Stock Price Index	336.57	-0.9	-21.1
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Shenzhen B-Share Stock Price Index	1036.05	+0.1	-20.9
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### Gainers and Losers

Index	Close	Daily % Chg
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GAINERS			LOSERS		
Beiqi Foton Motor Co	5.67	10.10	ZhejiangShengyngSc&Tch	25.55	-9.81
Luenmei Holding Co Ltd	16.79	10.03	Guangxi Guidong El Pw	7.92	-8.33
Nanjing Doron Tech	56.85	10.00	Jiangsu Jiangnan Water	18.26	-8.29
Gansu Dunhuang Seed Co	7.84	9.96	NanjingKngnMchncl&Elctr	12.02	-6.31
China Grand Auto Svcs	11.41	7.64	ShandongShidaShenghChm	37.91	-5.88
Sichuan Changhong Elec	4.53	6.84	TianjinBenefeTejng El	13.66	-5.53
Univ Sci Ind Shanghai	9.97	5.73	Beijing Bashi Media Co	18.99	-5.52
Zhejiang Huayou Cobalt	34.19	5.43	ShanghJngExprtPrzZnDvl	24.38	-5.50
Xinjiang Tianrun Dairy	50.90	5.25	GuizhouRedStarDevelpng	11.66	-5.43
YechiuMetalRcyclingChna	15.65	5.25	P2P Fin Info Service	13.26	-5.35

Shenzhen Stock Exchange			Losers		
ZhangjiqngFrSpclEqpmnt	15.24	10.04	ZhuaiOrbitaControlEng	14.00	-10.10
Xinjiang Zhongtai Chem	7.72	9.97	Hang Zhou Grt Star Ind	20.40	-6.51
ShijiazhgChngshnTxlte	13.65	5.49	WUSPrintedCircuitKnsn	5.73	-5.13
FAW CAR Co Ltd	12.94	5.37	GuangzhouKingTellerTch	8.91	-4.71
ShanghMtrsbwnFshn&Accs	4.61	4.54	Shenzhen MTC Co Ltd	7.90	-4.24
Huayi Brothers Media	14.39	4.20	NanjingHdngElmf&Tchnlo	6.43	-4.17
LandOcean Energy Svcs	13.10	3.89	Jiangsu Nhwa Pharma	23.46	-4.05
Adv Tech & Materials	14.68	3.60	Ningbo Huaxiang Electr	19.47	-3.99
ShandongHumon Smelting	11.56	3.58	Beijing VRV Software	16.91	-3.98
HengdianGrpDMEGCMgntcs	14.59	3.55	BeingmateBaby&Child Fd	12.50	-3.85

Hang Seng			Losers		
Galaxy Entertainment	25.00	5.04	Tingyi Cayman Islands	7.64	-3.17
Cheung Kong Property	46.30	2.32	China Unicom Hong Kong	8.21	-2.73
Sands China Ltd	27.90	2.20	Li & Fung Ltd	3.99	-2.44
China Constr Bank	4.68	1.52	CNOOC Ltd	8.86	-2.10
Cathay Pacific Airways	12.24	1.49	PetroChina Co Ltd	5.13	-1.35

### Cross Currency Rates

	USD	EUR	CNY	HKD	GBP	KRW	BRL	RUB	JPY	INR	CAD
USD		1.118	0.153	0.129	1.454	0.001	0.280	0.015	0.009	0.015	0.759
EUR	0.895		0.136	0.115	1.301	0.001	0.249	0.013	0.008	0.013	0.679
CNY	6.556	7.330		0.844	9.530	0.006	1.837	0.098	0.060	0.097	4.979
HKD	7.768	8.683	1.185		11.293	0.007	2.177	0.116	0.071	0.115	5.898
GBP	0.688	0.769	0.105	0.089		0.001	0.193	0.010	0.006	0.010	0.523
KRW	1192.620	1337.640	181.903	153.530	1732.980		334.091	17.819	10.886	17.617	905.180
BRL	3.573	4.010	0.544	0.459	5.188	0.003		0.053	0.033	0.053	2.710
RUB	66.896	74.781	10.204	8.613	97.250	0.056	18.747		0.611	0.988	50.801
JPY	109.550	122.450	16.709	14.103	159.265	0.092	30.692	1.638		1.618	83.178
INR	67.690	75.684	10.326	8.715	98.393	0.057	18.968	1.012	0.618		51.401
CAD	1.317	1.472	0.201	0.170	1.915	0.001	0.369	0.020	0.012	0.020	

Data provided by Bloomberg

### International Stock Markets

Index	Daily Close	% Chg	YTD % Chg
Hang Seng Index	19,830.43	0.1	
Hang Seng China Ent Index	8,300.66	0.0	
TAIEX Taiwan Stock Index	8,300.66	-0.5	
Nikkei 225	16,498.76	-0.9	
Sensex	25,303.08	0.3	
KOSPI	1,937.68	-0.9	
S&P/ASX 200	5,295.57	-0.4	
New Zealand 50 Gross Index	6,872.66	-0.5	
Straits Times Index STI	2,754.70	-0.4	
Bangkok SET Index	1,382.03	0.0	
Bursa Malaysia KLCI Index	1,627.53	-0.5	
VN-Index	611.62	0.1	
Dow Jones	17,492.93	0.0	

### Commodities

Commodity	Close	Daily % Chg	YTD % Chg
Brent Crude Oil (USD/bbl.)	47.94	-0.8	
Gold (USD/t oz.)	1251.50	-0.1	
Silver (USD/t oz.)	16.42	-0.7	
Copper (USD/lb.)	2.06	0.0	
Aluminum (USD/MT)	1546.25	0.4	
Corn (USD/bu.)	3.98	0.8	
Wheat (USD/bu.)	4.62	-1.2	
Soybeans (USD/bu.)	10.59	-1.5	
Coffee (USD/lb.)	1.23	0.5	
Sugar #11 (USD/lb.)	0.17	-0.8	
Palm Oil (MYR/MT)	2511.00	0.8	

### ETFs

Equity ETFs	Ticker	Close	Daily % Change
China 50	510050	2.07	-0.72
China AMC CSI 300 Index	510330	3.18	-0.75
China CSI 500	510500	5.98	-0.93
China SME	159902	3.05	-0.78
China Universal CSI Consumer Staples Index	159928	1.31	-0.53
E Fund ChiNext Price Index	159915	1.98	-0.85
E Fund CSI 300	510310	1.25	-0.80
E Fund CSI 300 Financials ex Banks Index	512070	1.52	-0.98
E Fund Hang Seng China Enterprises Index	510900	0.86	-0.58
E FUND SZSE100 INDEX FUND	159901	3.70	-0.72
Fortune SGAM Xianjin Tianyi Money Market	511990	100.01	0.00
Guangfa CSI 500	510510	1.57	-0.82
Guotai Shanghai Stock Exchange 180 Financial Index	510230	4.74	-0.46
Harvest CSI 300 Index	159919	3.23	-0.68
Huatai-Pinebridge CSI 300	510300	3.06	-0.62
Shanghai SSE180	510180	2.64	-0.83
SSE Pledge Urban Investment Bond	511220	98.80	0.10
Yinhua Traded Money Market Fund	511880	101.12	0.01