

China Transactions Insights

Summer 2018



Overview

Over the past five years, more than 60 companies listed on U.S. stock exchanges with business operations primarily in China have completed going-private transactions. Activity has declined from the peak level seen in 2016, with six transactions closed in 2017, and one closed and two announced deals so far this year.

IPO activity for Chinese companies on U.S. exchanges has surged recently, with 21 new listings in 2017 for US\$3.1 billion of funds raised, and 19 transactions so far through July of this year for US\$5.7 billion of funds raised.

As of July 31, 2018, there were 155 China-based companies listed on the Nasdaq, NYSE and AMEX, representing over US\$900 billion in total market capitalization.

While China's overall outbound investment activity continues to show steady growth, Chinese acquisitions and investments in the United States have declined significantly amidst stricter government policies and rising trade tensions between the two countries.

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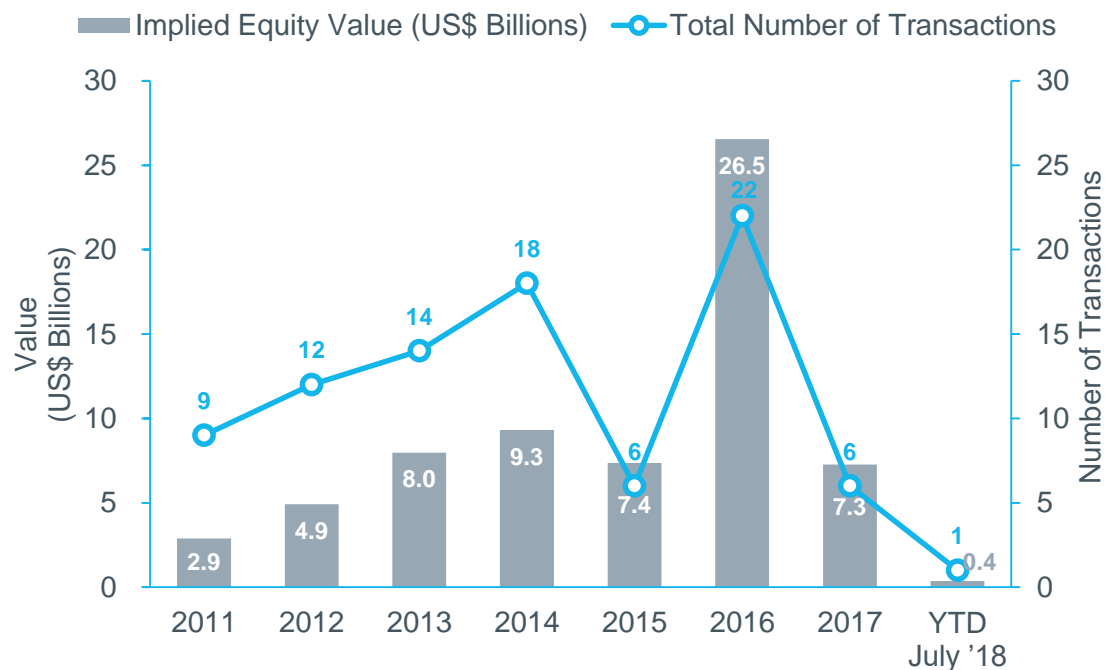
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U.S./China Trade War

Going-Private Transactions

There was only one closed going-private transaction of a U.S.-listed Chinese company through the first seven months of 2018, the acquisition of solar power products manufacturer JA Solar. The company's chairman and CEO led the buyer group in the transaction for a total implied equity value of approximately US\$362 million. As of the end of July 2018, there were nine U.S.-listed China-based companies with pending going-private transactions previously announced that had not yet closed.

Summary of Closed Transactions



Pending Transactions




Announced Date	Company Name
6/4/2018	Highpower International, Inc.
5/8/2018	Gridsum Holding Inc.
12/9/2017	Canadian Solar Inc. ¹
11/26/2017	eHi Car Services Limited
5/22/2017	Changyou.com Limited
5/14/2017	China Automotive Systems, Inc.
2/16/2017	China XD Plastics Company Limited
6/6/2016	iKang Healthcare Group, Inc.
1/30/2016	Sinovac Biotech Ltd.

¹ Canadian Solar Inc. is headquartered in Canada, but a significant portion of its operations are in China.
Source: SEC filings, company press releases and S&P Global Market Intelligence as of July 31, 2018.

Going-Private Transactions

Through the first seven months of 2018, three going-private transactions involving U.S.-listed companies based in China were announced. This included the acquisition of data analytics and artificial intelligence solutions provider Gridsum Holding by China-based private equity firm FutureX Capital, and the acquisition of the remaining shares of battery producer Highpower International by the chairman and CEO of Highpower International. A going-private proposal for China New Borun was also announced, but has since been withdrawn.

2018 YTD Announced Transactions

Announced Date	Status	Company Name	Incorporation	Industry	Business Description	Market Capitalization (US\$ Millions) ¹
6/4/2018	Pending	Highpower International, Inc. (NasdaqGM:HPJ)	Delaware	Capital Goods	Produces nickel-metal hydride and lithium-based rechargeable batteries used in a wide range of applications	\$44
			6/4/2018	Announced receipt of a non-binding proposal from Mr. Dang Yu Pan (Chairman and CEO of Highpower International) to acquire the remaining outstanding shares of common stock at a cash purchase price of \$4.80 per share		
			6/25/2018	Announced formation of special committee to consider the going-private proposal		
5/8/2018	Pending	Gridsum Holding Inc. (NasdaqGS:GSUM)	Cayman Islands	Software and Services	Provides cloud-based data analytics and AI solutions for enterprises and government agencies in China	\$200
			5/8/2018	Announced receipt of a preliminary non-binding proposal from FutureX Capital to acquire all outstanding shares of Gridsum not already owned by FutureX Capital for US\$8.70 in cash per American depositary share (ADS)		
			5/11/2018	Announced formation of special committee to evaluate the proposal from FutureX Capital and any other alternative transactions		
1/10/2018	Cancelled	China New Borun Corporation (NYSE:BORN)	Cayman Islands	Food, Beverage and Tobacco	Produces and distributes corn-based edible alcohol in China	\$30
			1/10/2018	Announced receipt of a non-binding proposal from Mr. Jinmiao Wang (Chairman and CEO of China New Borun) and King River Holding (a majority shareholder) to acquire all outstanding shares not already owned for US\$1.67 in cash per ADS or share		
			2/2/2018	Announced formation of special committee to consider the going-private proposal		
			7/12/2018	Announced that Mr. Wang and King River Holding withdrew their going-private proposal		

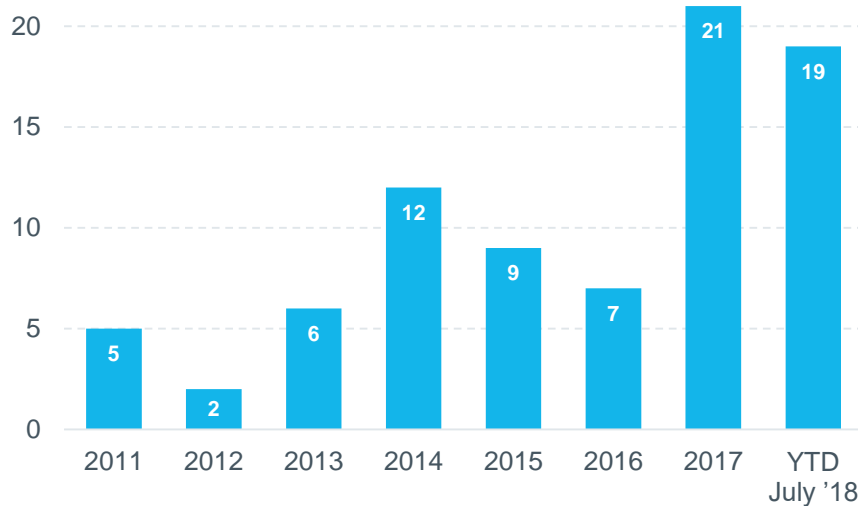
¹ Market capitalization as of July 31, 2018.

Source: SEC filings, company press releases and S&P Global Market Intelligence as of July 31, 2018.

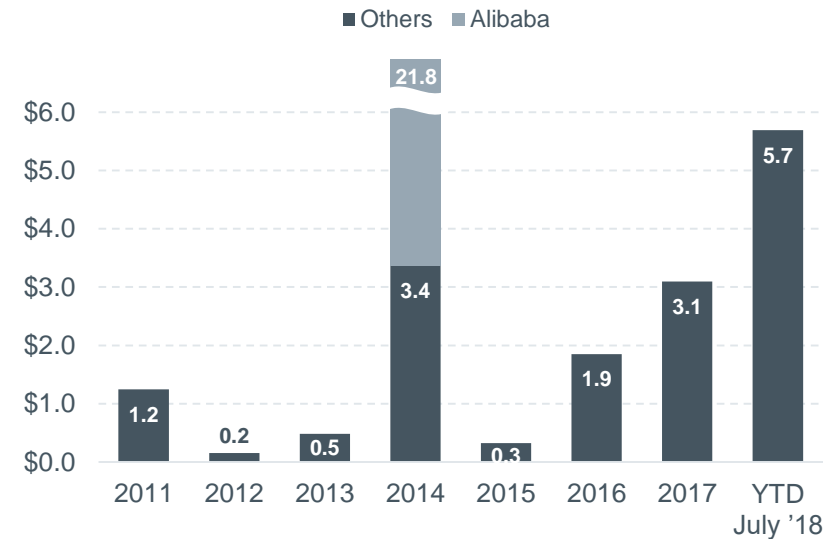
IPO Activity

After a surge in IPO activity in 2017, 2018 is on track to be another strong year for new U.S. listings of Chinese companies. Through July of this year, 19 Chinese companies completed IPOs in the U.S. markets. In terms of total funds raised, year-to-date (YTD) 2018 IPOs accounted for US\$5.7 billion in gross proceeds, exceeding the total funds raised in all of 2017. The first quarter of 2018 was particularly active, with 10 new listings and US\$3.4 billion in funds raised. As of the end of July 2018, Chinese companies that had completed IPOs in the U.S. during the first half of the year represented an aggregate market capitalization of US\$69.1 billion.

Number of IPOs



Amount of IPO Funds Raised (US\$ B)



Note: 2014 was an outlier in terms of total IPO funds raised due to Alibaba's record US\$22 billion listing on the NYSE.

IPO Activity

Notable transactions during the first 7 months of 2018 included IPOs of three Chinese online video streaming and internet video platforms, a number of e-commerce businesses and several education services providers. Baidu's online video subsidiary, iQIYI, completed a Nasdaq listing in March, raising US\$2.25 billion and making it the second largest U.S. IPO for a Chinese company, behind only Alibaba's record listing in 2014. YY's game live streaming platform HUYA and the online video sharing website Bilibili also completed IPOs. E-commerce platform Pinduoduo also completed a large IPO this year, raising over US\$1.6 billion for an implied valuation of nearly US\$24 billion.

2018 YTD Completed IPOs

Pricing Date	Company Name	Ticker	Incorporation	Industry Sector	Gross Proceeds (US\$ MM)	Offer Price	Offer Price vs. Marketed Range	As of 7/31/2018		
								Stock Price	Market Capitalization (US\$ MM)	Price to LTM Earnings Multiple
7/26/2018	Aurora Mobile Limited	NasdaqGM: JG	Cayman Islands	Software and Services	\$77	\$8.50	Within	\$7.65	\$879	N/M
7/25/2018	Greenland Acquisition Corporation	NasdaqCM: GLAC.U	British Virgin Islands	Diversified Financials	\$40	\$10.00	N/A	\$10.11	\$44	N/A
7/25/2018	Pinduoduo Inc.	NasdaqGS: PDD	Cayman Islands	Retailing	\$1,626	\$19.00	Within	\$22.50	\$24,925	N/M
7/25/2018	Cango Inc.	NYSE: CANG	Cayman Islands	Software and Services	\$44	\$11.00	Within	\$10.75	\$1,624	24.6x
6/27/2018	Uxin Limited	NasdaqGS: UXIN	Cayman Islands	Software and Services	\$225	\$9.00	Below	\$5.75	\$1,681	N/M
6/15/2018	Puxin Limited	NYSE: NEW	Cayman Islands	Consumer Services	\$122	\$17.00	Within	\$16.78	\$1,564	N/M
5/23/2018	CLPS Incorporation	NasdaqCM: CLPS	Cayman Islands	Software and Services	\$11	\$5.25	Within	\$15.43	\$210	70.0x

LTM = Last 12 Months; N/M = Not Meaningful; N/A = Not Available.

Source: SEC filings, company press releases and S&P Global Market Intelligence as of July 31, 2018.

2018 YTD Completed IPOs – Continued

Pricing Date	Company Name	Ticker	Incorporation	Industry Sector	Gross Proceeds (US\$ MM)	Offer Price	Offer Price vs. Marketed Range	As of 7/31/2018		
								Stock Price	Market Capitalization (US\$ MM)	Price to LTM Earnings Multiple
5/10/2018	HUYA Inc.	NYSE: HUYA	Cayman Islands	Software and Services	\$180	\$12.00	Within	\$32.20	\$6,490	N/M
4/13/2018	AGM Group Holdings Inc.	NasdaqCM: AGMH	British Virgin Islands	Diversified Financials	\$7	\$5.00	N/A	\$14.29	\$305	75.2x
3/28/2018	OneSmart International Education Group Limited	NYSE: ONE	Cayman Islands	Consumer Services	\$179	\$11.00	Within	\$9.90	\$1,613	70.3x
3/28/2018	iQIYI, Inc.	NasdaqGS: IQ	Cayman Islands	Software and Services	\$2,250	\$18.00	Within	\$32.02	\$22,829	N/M
3/27/2018	Bilibili Inc.	NasdaqGS: BILI	Cayman Islands	Software and Services	\$483	\$11.50	Within	\$11.71	\$3,261	N/M
3/26/2018	GreenTree Hospitality Group Ltd.	NYSE: GHG	Cayman Islands	Consumer Services	\$143	\$14.00	Below	\$16.80	\$1,706	32.0x
3/22/2018	Sunlands Online Education Group	NYSE: STG	Cayman Islands	Consumer Services	\$150	\$11.50	Within	\$5.96	\$1,030	N/M
3/20/2018	Golden Bull Limited	NasdaqCM: DNJR	Cayman Islands	Diversified Financials	\$6	\$4.00	Within	\$9.00	\$133	N/M
3/15/2018	Senmiao Technology Limited	NasdaqCM: AIHS	Nevada	Diversified Financials	\$12	\$4.00	Within	\$4.71	\$122	N/M
2/16/2018	Farmmi, Inc.	NasdaqCM: FAMI	Cayman Islands	Food, Beverage and Tobacco	\$7	\$4.00	Within	\$4.34	\$51	13.3x
2/8/2018	Huami Corporation	NYSE: HMI	Cayman Islands	Technology Hardware and Equipment	\$110	\$11.00	Within	\$9.35	\$562	20.5x
2/1/2018	SSLJ.com Limited	NasdaqCM: SSLJ	Cayman Islands	Consumer Services	\$19	\$5.00	N/A	\$1.48	\$65	N/M

N/M = Not Meaningful; N/A = Not Available

Source: SEC filings, company press releases and S&P Global Market Intelligence as of July 31, 2018.

U.S.-Listed Chinese Companies

Of the 155 China-based companies listed on major U.S. exchanges as of July 31, 2018, approximately two-thirds of them trade on the Nasdaq, one-third on the NYSE and several companies on the AMEX. Over a quarter of the U.S.-listed Chinese companies are internet or software-related firms, capturing over 75% of the total market capitalization. Roughly 60% of the firms are incorporated in the Cayman Islands, with other companies primarily incorporated in the British Virgin Islands and the United States.

Summary of Listed Companies

Industry Sector	Number of Companies	Total Market Cap (US\$ MM)	Exchange	Number of Companies	Total Market Cap (US\$ MM)
Software and Services	40	\$716,849	Nasdaq	102	\$335,785
Consumer Services	21	71,613	NYSE	48	609,887
Diversified Financials	19	13,787	AMEX	5	298
Materials	11	384	Total	155	\$945,970
Retailing	9	105,990			
Food, Beverage and Tobacco	8	430			
Capital Goods	7	393			
Pharmaceuticals, Biotechnology and Life Sciences	5	5,015			
Technology Hardware and Equipment	5	2,140			
Consumer Durables and Apparel	5	273	Incorporation	Number of Companies	Total Market Cap (US\$ MM)
Semiconductors and Semiconductor Equipment	4	1,878	Cayman Islands	95	\$924,328
Automobiles and Components	4	609	British Virgin Islands	25	3,593
Commercial and Professional Services	3	5,885	Nevada	17	987
Healthcare Equipment and Services	3	1,644	Delaware	10	15,539
Real Estate	3	777	Florida	3	166
Transportation	2	16,378	Canada	1	790
Media	2	67	Antigua and Barbuda	1	505
Insurance	1	1,762	Hong Kong	1	47
Food and Staples Retailing	1	37	Marshall Islands	1	11
Energy	1	29	Maryland	1	5
Household and Personal Products	1	28	Total	155	\$945,970
Total	155	\$945,970			

Top 10 Companies by Market Capitalization

Company Name	Incorporation	Industry Sector	Business Description	Market Capitalization (US\$ MM)	Percentage of 52-Week High	Price to LTM Earnings Multiple
Alibaba Group Holding Limited (NYSE:BABA)	Cayman Islands	Software and Services	Operates as an online and mobile commerce company in China and internationally	\$481,082	88.4%	47.9x
Baidu, Inc. (NasdaqGS:BDU)	Cayman Islands	Software and Services	Provides internet search services in China and internationally	\$86,199	87.0%	23.3x
JD.com, Inc. (NasdaqGS:JD)	Cayman Islands	Retailing	Operates as an e-commerce company in China.	\$51,180	70.8%	N/M
NetEase, Inc. (NasdaqGS:NTES)	Cayman Islands	Software and Services	Operates an interactive online community, offering online game services, advertising services, email, e-commerce and other services	\$33,883	68.3%	28.4x
Pinduoduo Inc. (NasdaqGS:PDD)	Cayman Islands	Retailing	Operates an e-commerce platform in China offering interactive and social shopping experiences	\$24,925	81.7%	N/M
iQIYI, Inc. (NasdaqGS:IQ)	Cayman Islands	Software and Services	Operates an online video platform featuring original content, professionally-produced content, partner-generated content and user-generated content	\$22,829	69.3%	N/M
Ctrip.com International, Ltd. (NasdaqGS:CTRP)	Cayman Islands	Retailing	Provides travel service for accommodation reservations, transportation ticketing, packaged tours and corporate travel management in China	\$22,436	68.5%	46.9x
Weibo Corporation (NasdaqGS:WB)	Cayman Islands	Software and Services	Operates as a social media platform for people to create, distribute and discover Chinese-language content	\$18,429	58.2%	46.2x
TAL Education Group (NYSE:TAL)	Cayman Islands	Consumer Services	Provides K-12 after-school tutoring services covering various academic subjects in China	\$18,148	67.2%	79.8x
ZTO Express (Cayman) Inc. (NYSE:ZTO)	Cayman Islands	Transportation	Provides express delivery and other value-added logistics services in China	\$15,478	87.5%	27.7x

Chinese “Unicorn” Companies

The establishment of new Chinese investment funds and a wave of increased venture capital investments in China have resulted in a growing list of Chinese unicorn companies—tech startups that have reached a US\$1 billion valuation in private investment rounds. A number of Chinese unicorns have already completed IPOs, such as smartphone maker Xiaomi’s US\$4.7 billion listing in Hong Kong for an implied valuation of about US\$54 billion, while others continue to raise private funds and are gearing up for potential IPOs over the next couple years.

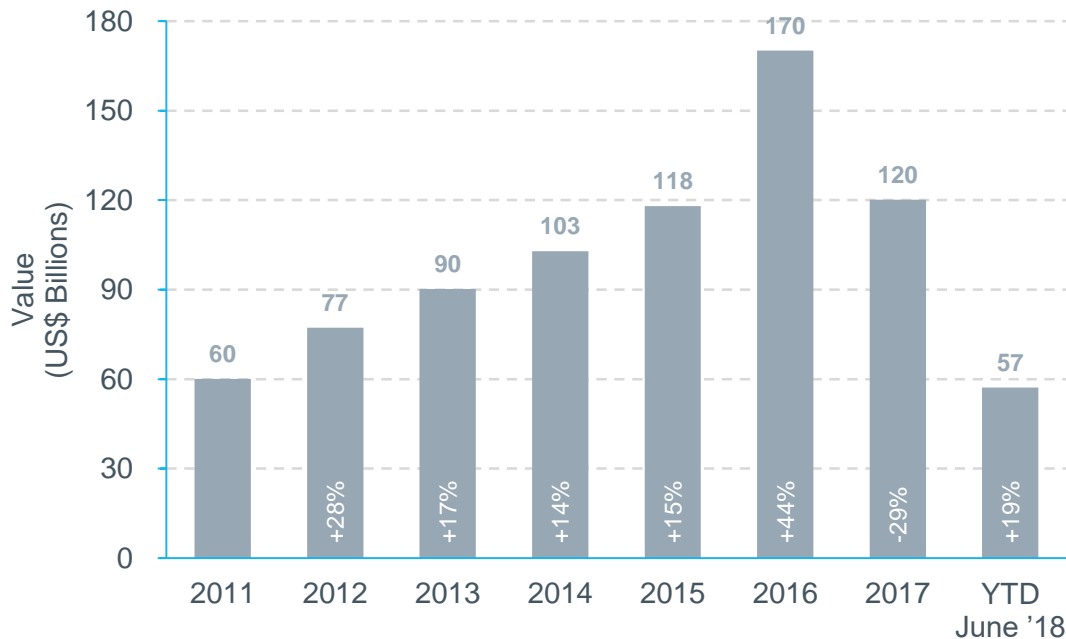
Top 10 List of Chinese “Unicorn” Companies

Company Name	Business Description	Last Valuation Round	Valuation Implied by Last Funding Round (US\$ B)
Ant Financial	Online financial services platform	May-18	 \$150.0
Didi Chuxing	Ride-sharing platform	Dec-17	 \$56.0
Meituan-Dianping	Online-to-offline services platform	Oct-17	 \$30.0
Tencent Music	Music streaming business	N/A	 \$25.0
Cainiao Network	Logistics affiliate of Alibaba	Sep-17	 \$20.0
JD Finance	Online finance arm of JD.com	Jul-18	 \$20.0
Toutiao	News and media aggregator	Apr-17	 \$20.0
Lufax	Peer-to-peer lending platform	Jan-16	 \$18.5
Kuaishou	Online video streaming service	Jan-18	 \$18.0
DJI	Consumer drone maker	Apr-18	 \$15.0

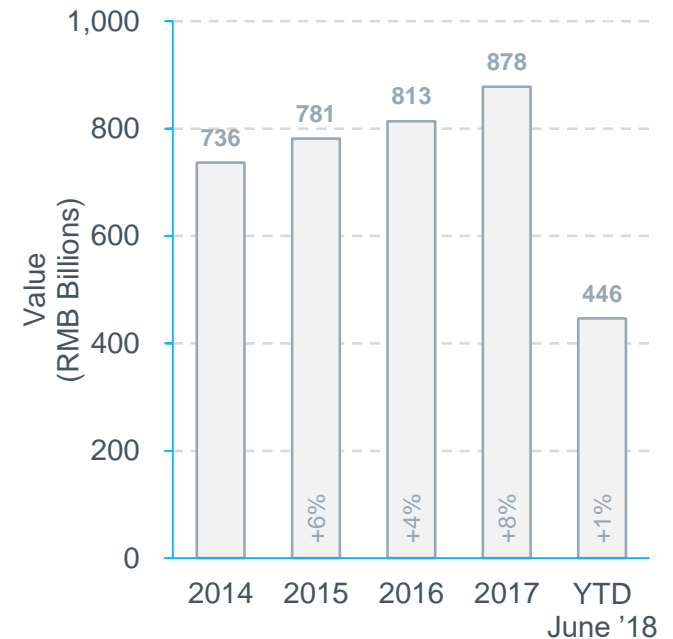
Cross-Border Transactions

Chinese outbound direct investment saw steady growth for the first 6 months of this year, increasing approximately 19% to US\$57 billion more than the corresponding prior year period and including over 3,600 overseas companies in 151 countries and regions. Chinese investment into countries linked to its Belt and Road Initiative increased 12% from a year earlier. Meanwhile, foreign direct investment into mainland China rose 1% year-over-year to approximately RMB 446 billion for the first half of 2018, with investment in high-tech industries accounting for over 20% of total foreign direct investment.

Chinese Outbound Direct Investment



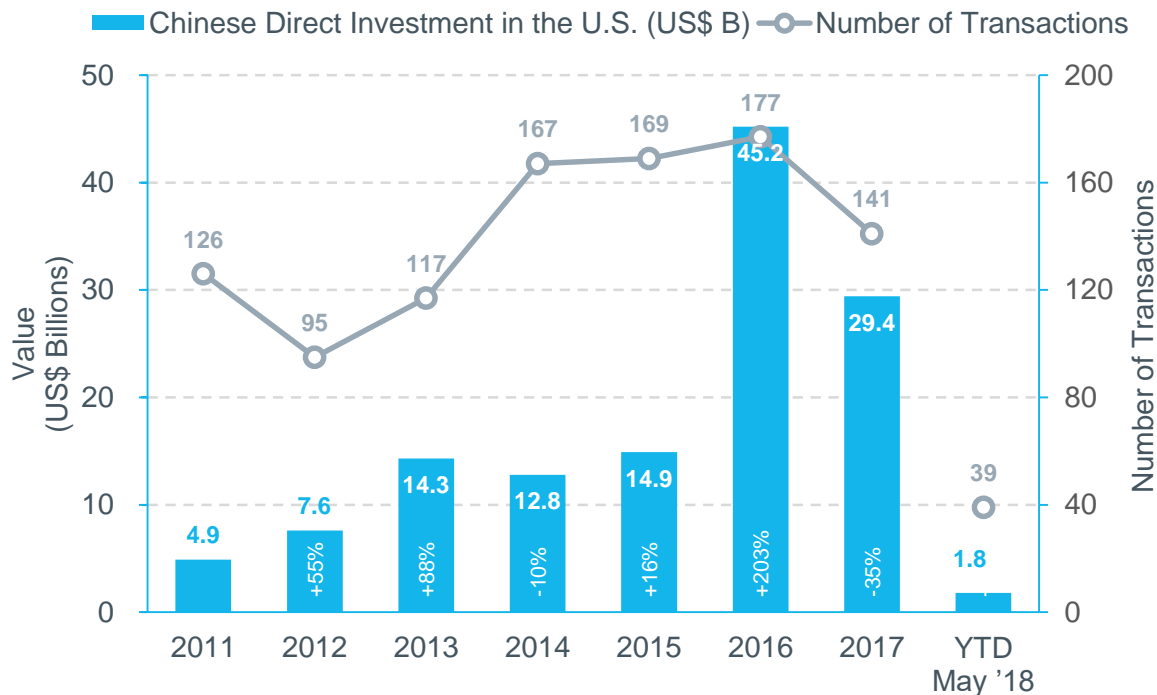
Foreign Direct Investment in China



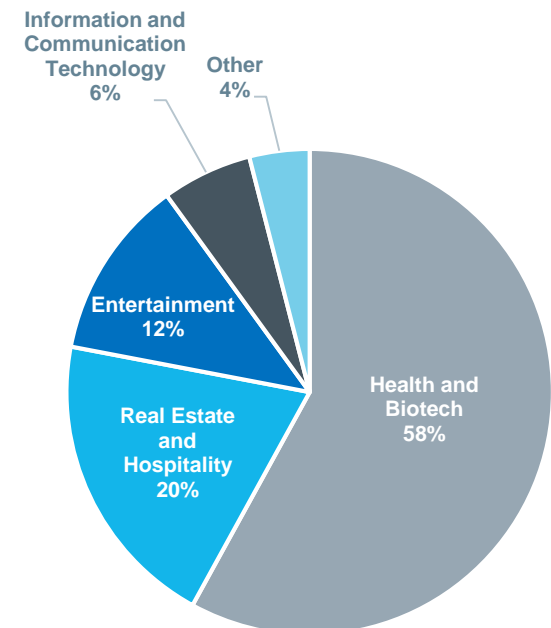
Cross-Border Transactions

While overall Chinese outbound investment increased in the first half of the year, China's investment activity in the U.S. has declined precipitously from 2016 and 2017 levels, as completed acquisitions and investments in the U.S. by Chinese companies dropped over 90% year-over-year through May 2018. A tightening of Chinese government policy around capital outflows, stricter U.S. posture towards Chinese investments (particularly in the technology sector) and escalating trade tensions have contributed to the decline.

Chinese Direct Investment in the U.S.



2018 YTD Investment in the U.S. by Industry



Notable Cross-Border Transactions – China/Europe



BALLY

In February 2018, Chinese textile and apparel producer Shandong Ruyi acquired a controlling stake in the Swiss luxury clothing brand Bally International at a reported valuation of around US\$700 million.



吉利汽车
GEELY AUTO

DAIMLER

In February 2018, Mr. Li Shufu, Chairman of Chinese car maker Zhejiang Geely Holding Group, became the largest shareholder of German car and truck maker Daimler, with a 9.7% ownership stake worth approximately US\$9 billion.



NEVS

In March 2018, Chinese private equity firm GSR Capital signed an agreement to invest US\$500 million in the Swedish electric car company National Electric Vehicle Sweden. GSR also announced plans to build a battery factory in Sweden.

Hisense

gorenjegroup

In May 2018, Chinese home appliances maker Hisense Electric made a bid to acquire the Slovenian appliances company Gorenje, valuing the company at approximately US\$340 million.



In May 2018, China's state-owned clean energy company China Three Gorges offered US\$10.9 billion to take over Portuguese electricity giant EDP-Energias de Portugal.



EKORNES

In May 2018, QuMei Home Furnishings Group entered into an agreement to acquire Norway's largest furniture manufacturer Ekornes for US\$630 million.



In May 2018, China's auto supplier Ningbo Jifeng Auto Parts offered to acquire German auto parts maker Grammer in a deal valuing the business at approximately US\$890 million.



FOSUN 复星



In July 2018, Beijing Sanyuan Foods and Fosun Group announced the acquisition of French margarine maker St Hubert for approximately US\$733 million from Montagu Private Equity.

Notable Cross-Border Transactions – China/Americas

WEGO 威高



In January 2018, Shandong Weigao Group Medical Polymer closed the acquisition of U.S.-based Argon Medical Devices, a privately held specialty medical device company, for US\$850 million.



In February 2018, Shanghai Pharmaceuticals Holding completed the acquisition of the China drug distribution business of U.S. company Cardinal Health for US\$557 million.



In March 2018, China Southern Power Grid International closed the acquisition of a 27.8% stake in Transelec, Chile's largest pure-play power transmission company, from Canada's Brookfield Infrastructure Partners for US\$1.3 billion.



In March 2018, Foxconn Interconnect Technology signed a definitive agreement to acquire the U.S. computer and phone accessories maker Belkin International for approximately US\$870 million.



In March 2018, Macau casino operator Galaxy Entertainment Group bought a 4.9% stake in U.S.-based Wynn Resorts for approximately US\$927 million.



In May 2018, Tianqi Lithium agreed to acquire approximately a 24% stake in Sociedad Química y Minera de Chile, one of the world's largest lithium producers, from Canada-based Nutrien for US\$4.1 billion.



In May 2018, Yageo agreed to acquire Pulse Electronics, a U.S.-based electronic components manufacturer, for US\$740 million.



In June 2018, CITIC Metal Company agreed to acquire a 19.9% stake in Ivanhoe Mines for approximately US\$555 million in a private placement transaction, becoming the largest shareholder in the Canadian mining company.

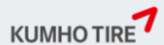
Notable Cross-Border Transactions – China/Asia-Pacific



In January 2018, China's sovereign wealth fund CIC Capital and U.S.-based Global Infrastructure Partners together acquired Equis Energy, the largest independent renewable energy producer in the Asia-Pacific region, for US\$5 billion.



In January 2018, Chinese health supplements giant By-health entered into a binding agreement to acquire the Australian probiotic market leader Life-Space Group for US\$557 million.



In March 2018, Chinese tire manufacturer Doublestar Group agreed to acquire a 45% stake in South Korea's Kumho Tire for approximately US\$600 million, making it the controlling shareholder of the company.



In March 2018, Alibaba Group Holding announced an additional US\$2 billion investment into Southeast Asian e-commerce firm Lazada Group, doubling its total investment in the company.



In April 2018, a Chinese state-backed consortium led by China Jianyin Investment agreed to acquire a majority stake in Australian vitamin company Nature's Care Manufacture at an enterprise value of approximately US\$620 million.



In May 2018, Chinese private equity firm CDH Investments offered to acquire Australian liver cancer treatment firm Sirtex Medical for US\$1.4 billion, outbidding a competing offer from U.S. firm Varian Medical Systems.



In June 2018, a consortium led by CK Infrastructure Holdings made a US\$9.8 billion bid to take over APA Group, Australia's largest gas pipeline company.



In July 2018, China's Pengxin International Mining completed an agreement to acquire Agincourt Resources (Singapore), which owns the Martabe gold and silver mine in Indonesia, for approximately US\$1.1 billion.

China/Brazil Transactions

M&A activity in Brazil is showing strong momentum, with deal activity having grown 9% in 2017 to a record of 856 transactions with a combined value of approximately US\$87.3 billion, according to Fusões & Aquisições. China has played a large role in Brazilian M&A and investment activity, as Chinese investors have been involved in several of Brazil's multibillion-dollar deals recently, and have taken strong positions in Brazilian infrastructure, energy, logistics, agribusiness and other sectors.

Overview of China/Brazil M&A and Investment Activity

- Chinese investments in Brazilian companies from January to September 2017 totaled a record high of US\$8.7 billion, comprising 12% of total M&A activity in Brazil, according to Dealogic. A significant number of new acquisitions and investments announced in the fourth quarter brings the total to more than US\$12 billion in 2017.
- The Brazilian government is working to strengthen its relationship with the Chinese business community—the Brazilian president was in August 2017 in China, where new greenfield investments were on the agenda.
- According to the Conselho Empresarial Brasil-China (CEBC), M&A activity represents half of Chinese investments in Brazil, with the remaining 50% being greenfield investments and joint ventures.
- According to Brazil's Planning Ministry, China invested a total of US\$20.9 billion in Brazil in 2017 (including M&A, greenfield, joint venture and other investments), the highest amount since 2010.

Notable Transactions



In January 2017, China's State Grid bought a controlling stake in CPFL Energia for US\$4.5 billion, and in November 2017 bought the remaining portion for US\$3.45 billion.



In September 2017, China's State Power Investment Corporation won a bid to operate the São Simão hydropower plant for approximately US\$2.25 billion.



In November 2017, CITIC Agri Fund completed the acquisition of a portion of Dow Chemical Company's corn seed business in Brazil for US\$1.1 billion.

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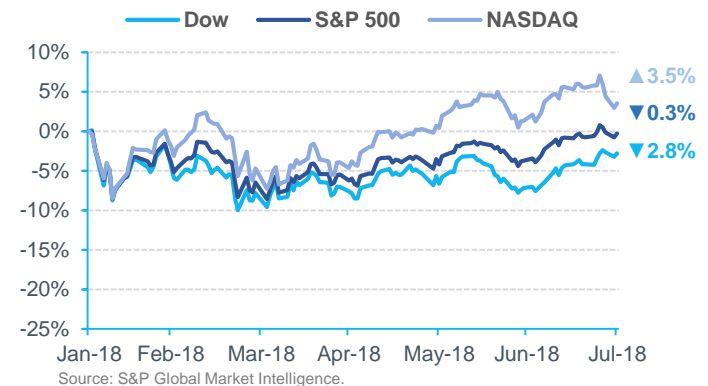
U.S./China Trade War

A trade war is developing between the U.S. and China. The countries with the two largest economies have each imposed tariffs against each other and continue to exchange threats of further escalation. Trade barriers could be damaging to the economies of both countries, with the potential to disrupt global supply chains, raise prices for consumers worldwide, increase market volatility and hamper overall economic growth.

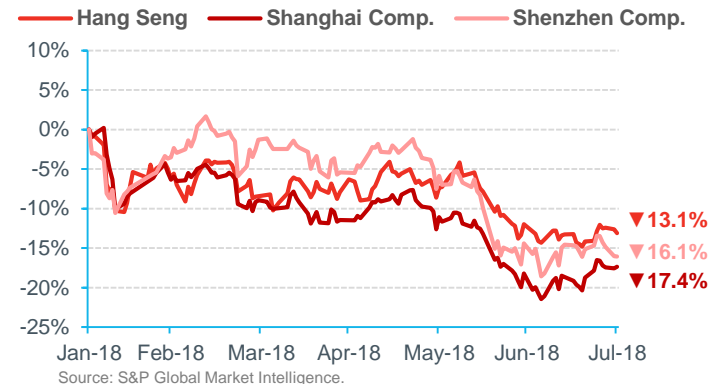
Summary of Key Issues

- The U.S. is attempting to disrupt China's "Made in China 2025" industrial strategy, which seeks to make China's advanced manufacturing capabilities globally competitive by focusing on key sectors like automation, robotics, information technology, aerospace and other high value-added industries.
- U.S. tariffs also aim to push back against China's policies of requiring joint ventures with Chinese companies in certain industries, and allegedly encouraging technology transfers to domestic Chinese companies, in return for access to its market.
- China has responded with tariffs targeting key U.S. exports to China, such as soybeans and other agricultural products, cars, medical equipment and various other goods.
- While China would not be able to match U.S. tariffs dollar-for-dollar on imports, it could respond in other ways, such as seeking support from and boosting trade with Europe, South America and other regions to counterbalance U.S. actions and threats.

U.S. Market Indices: 1/31/18-7/31/18



China Market Indices: 1/31/18-7/31/18



Timeline of U.S./China Trade Dispute

January 22	U.S. imposes tariffs of 20% on washing machines and 30% on solar panels <ul style="list-style-type: none"> Washing machine tariffs target South Korean companies, which have moved some production to China and other Asian countries. Solar panel tariffs could boost U.S. solar panel manufacturing by making Chinese imports less competitive, but pose a threat to U.S. solar rooftop installers and solar farm developers, as over 80% of solar installations in the U.S. use imported panels.
March 8	U.S. imposes tariffs on steel and aluminum imports of 25% and 10%, respectively <ul style="list-style-type: none"> The tariffs were aimed to bolster U.S. steel and aluminum production, but could also result in higher prices for cars, appliances and other goods. Canada and Mexico were initially exempted from the tariffs, with exemptions for other U.S. allies to follow.
April 2	China announces tariffs on US\$3 billion worth of U.S. imports in response to the steel and aluminum tariffs announced by the U.S. <ul style="list-style-type: none"> A 15% duty was applied to 120 products, including fruit, nuts, wine, ginseng, ethanol alcohol and certain steel pipe products. A 25% duty was applied to pork products and recycled aluminum. China accounts for approximately 9% of U.S. pork exports.
April 3	U.S. proposes a 25% tariff on an additional US\$50 billion of Chinese goods, targeting electronics, high-tech components and machinery <ul style="list-style-type: none"> The tariffs apply to flat-screen TVs, medical devices, batteries, aircraft parts, robotics and information and communication technology products. While many Chinese-made consumer products were excluded, American manufacturers using imported parts are likely to face higher costs.
April 4	China proposes tariffs on US\$50 billion worth of American goods covering 106 U.S. products <ul style="list-style-type: none"> The largest three products that the U.S. exports to China by value—soybeans, aircraft and motor vehicles—are targeted in the tariffs, as well as other food and agricultural products, tobacco products, whiskey and chemicals. The tariffs pose a threat to U.S. farmers, as soybeans account for approximately 60% of U.S. agricultural exports to China.
April 5	President Donald Trump announced that the U.S. is considering tariffs on another US\$100 billion in Chinese goods <ul style="list-style-type: none"> The President's statement noted the U.S. Trade Representative's claims that China has engaged in "practices to unfairly obtain America's intellectual property."
April 16	The U.S. bans American companies from selling components and software to Chinese telecoms equipment maker ZTE Corp. for 7 years <ul style="list-style-type: none"> ZTE Corp. was previously fined for violating U.S. sanctions, and the new ban was placed in response to what the U.S. Department of Commerce described as "false statements to the U.S. government." Trading in ZTE Corp.'s shares was subsequently suspended in Hong Kong.
April 17	China announces new import charges of 179% on U.S. sorghum <ul style="list-style-type: none"> China is the largest buyer of sorghum from the U.S., with imports amounting to approximately US\$960 million last year. China's Commerce Ministry claimed that shipments of U.S. sorghum were unfairly subsidized and detrimental to Chinese farmers.

Timeline of U.S./China Trade Dispute

May 19	China agrees to buy “significantly more” from the U.S. according to a joint statement issued by the two countries after trade talks <ul style="list-style-type: none"> While the Trump administration had previously stated a goal of reducing the trade deficit with China by at least US\$200 billion, no specific dollar amount targets were set for additional purchases of U.S. goods and services.
May 29	U.S. announces that it will proceed with its 25% tariffs on US\$50 billion worth of Chinese goods <ul style="list-style-type: none"> Trade tensions had previously seemed to calm after negotiations between the two countries earlier in the month. The statement from the White House also noted that new limits on Chinese investment in U.S. technology companies will be introduced.
May 31	China announces tariff cuts on many consumer products <ul style="list-style-type: none"> Tariffs would be reduced from 15.7% to 6.9% on 1,449 imported products, including various food products and low-value manufactured goods. The announcement comes days before new trade talks between the U.S. and China in Beijing.
June 7	Trump administration agrees to lift Chinese telecom company ZTE’s ban from buying American components <ul style="list-style-type: none"> Under the announced agreement, ZTE will pay a US\$1 billion fine and establish an in-house U.S.-staffed compliance team to monitor operations. ZTE also agreed to put US\$400 million in escrow to cover any future violations and to change its board of directors and executive team.
June 15	The U.S. announces tariffs on US\$50 billion worth of Chinese products <ul style="list-style-type: none"> Tariffs on 818 products valued at US\$34 billion go into effect July 6 and tariffs on another 284 products worth US\$16 billion under review. The list was revised since being unveiled in April, excluding flat-panel TVs, certain medial devices and some other consumer products. According to the U.S. Trade Representative, the tariffs are in response to what it considers “unfair trade practices and industrial policies.”
	China responds with tariffs “of the same scale and intensity” on US\$50 billion in U.S. goods <ul style="list-style-type: none"> Similar to the structure announced by the U.S., China announced initial 25% tariffs on about US\$34 billion of products including various agricultural products, beef, pork, poultry, seafood, and automobiles. Commercial aircraft were previously included, but not on China’s revised list. Penalties on another US\$16 billion of products including coal, oil, gas and medical equipment would follow at a later date.
June 18	President Trump requests U.S. Trade Representative to identify an additional US\$200 billion of Chinese imports for 10% tariffs <ul style="list-style-type: none"> According to the White House’s statement, the additional tariffs would go into effect if China moves forward with its recently announced tariffs. The White House’s statement also threatened tariffs on a further US\$200 billion of Chinese goods if China retaliates with additional tariffs.
June 27	Trump administration softens stance on Chinese tech investments <ul style="list-style-type: none"> After earlier reports that the U.S. Treasury Department was drafting stricter rules limiting Chinese investment in U.S. technology companies, the White House instead outlined plans to use existing processes that do not single out China to review investments on a case-by-case basis.

Timeline of U.S./China Trade Dispute

July 6	<p>Previously announced U.S. tariffs on US\$34 billion of Chinese imports go into effect</p> <p>Chinese tariffs on US\$34 billion of U.S. goods also begin</p>
July 10	<p>U.S. publishes list of products to be included in the additional US\$200 billion worth of Chinese imports subject to 10% tariffs</p> <ul style="list-style-type: none"> The list includes many consumer goods, such as seafood and various other food products, luggage and handbags, apparel, furniture, car tires, certain sports equipment products and beauty products. The new tariffs are not expected to go into effect for at least 2 months.
July 11	<p>China threatens retaliation in response to the United States' latest tariff announcements</p> <ul style="list-style-type: none"> A statement from China's Commerce Ministry described the United States' escalation as "totally unacceptable" and promised that China would "take firm and forceful measures" to protect its interests. Because China cannot match the U.S. dollar-for-dollar in further tariffs on imported goods, China may be considering alternative plans to respond, according to several news reports. Such alternative strategies could potentially include delaying M&A transactions involving U.S. firms, denying or cancelling licenses for U.S. companies operating in China and increasing scrutiny of border inspections for U.S. products.
July 20	<p>President Trump threatens tariffs on all Chinese goods imported into the United States</p> <ul style="list-style-type: none"> In a television interview, President Trump stated that he was "ready to go to 500" in terms of tariffs on Chinese imports—a reference to the US\$505 billion in total goods that the United States imported from China in 2017. By comparison, China imported approximately US\$130 billion worth of U.S. goods in 2017, so would not be able to match total U.S. tariffs in terms of value if President Trump were to follow through with his threat.
July 31	<p>United States and China seeking to restart trade talks</p> <ul style="list-style-type: none"> After a period of stalled negotiations, the United States and China are reportedly trying to restart trade talks in order to avert a full-blown trade war between the two countries.
August 1	<p>United States threatens increased tariff rates on additional Chinese imports</p> <ul style="list-style-type: none"> The Trump administration directed the U.S. Trade Representative to consider raising the proposed tariff level on a further US\$200 billion of Chinese imports to 25%, up from the previously announced 10%.
August 3	<p>China announces plans for tariffs on US\$60 billion worth of U.S. products</p> <ul style="list-style-type: none"> China's Ministry of Commerce announced plans to impose tariffs on 5,207 U.S. products, including various agricultural products, chemicals and machinery, among others. The new proposal calls for tariff rates ranging from 5% to 25%.
August 16	<p>United States and China set to resume trade talks</p> <ul style="list-style-type: none"> As reported by the Wall Street Journal, the U.S. and China are planning to hold a new round of trade discussions in August, which would be the first such talks since May and could help to reduce tensions between the two nations.

Duff & Phelps' Ongoing and Recent Transactions

Transaction Pending



received a going-private proposal from its chairman and

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Transaction Pending



received a going-private proposal from its chairman.

Fairness Opinion



has been acquired by



Fairness Opinion



has been acquired by



Buy Side Advisor



has been acquired by its chairman and by Shanghai Xingsheng Equity Investment.

Fairness Opinion



has been acquired by its chairman and by

IDG Capital

Fairness Opinion



has sold its interest in



Fairness Opinion



has completed a related-party transaction with



Global Fairness Opinions Practice

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Announced U.S. Fairness Opinions Rankings

	Ranking	Number of Credited Deals
1 Year: 2017	#1	53
3 Years: 2015-2017	#1	136
5 Years: 2013-2017	#1	202
10 Years: 2008-2017	#1	357

Source: Thomson Reuters.

Announced Global Fairness Opinions Rankings

	Ranking	Number of Credited Deals
1 Year: 2017	#1	65
3 Years: 2015-2017	#1	203
5 Years: 2013-2017	#1	288
10 Years: 2008-2017	#1	464

Source: Thomson Reuters.

¹ Published in Thomson Reuters' "Full Year 2017 Mergers & Acquisitions Review."

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