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Fontainburg – your dedicated China Team

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www.fontainburg.com

Fontainburg Associates Company Limited

Brief Introduction

Fontainburg was founded in 1998 to meet the growing demand for **high-quality financial and strategic investment advisory** services in the Greater China region. This growing demand is a direct result of the difficulties encountered in navigating the **constant and rapid change** of the Chinese society including changes in the economic system, legal and regulatory environment, industry structure, and changes in the social value system. Fontainburg is committed to supporting clients to build an **adaptable strategic platform** in the Chinese and international markets from which to gain and maintain a competitive advantage and enhance enterprise value.

Fontainburg is a Greater China-focused boutique financial and strategic investment advisory firm founded and managed by experienced professionals with expertise in the fields of investment banking, capital markets, corporate finance, economics, and management, and an unparalleled knowledge of the Chinese markets. We are an independent firm with no affiliations with any entities which would impact our ability to be completely unbiased in our advice to our clients. We differentiate ourselves through the following competitive advantages:

- China Execution Experience
- Trustworthy International Team
- Cross-border Networks
- Agile & Adaptable
- Single Point of Contact

Our Services

Fontainburg aims to provide world-class integrated solutions to assist our clients in improving shareholder and enterprise value. We do this by forming long-term partnerships with our clients, by leveraging our competitive advantages, and by focusing on areas and industries where we can add the most value in the most efficient manner.

- Mergers & Acquisitions
- Strategic Advisory
- Private Equity Advisory
- Corporate Finance
- China M&A Task Force

Credentials

Fontainburg and its team members have accumulated extensive experience working with a diverse client-base across various capital markets in China as well as internationally. Our proven China expertise and deep knowledge in project execution gives us the ability to deliver complete, comprehensive value-added solutions to our clients. Supported by our extensive network, Fontainburg works closely with our clients to understand their needs, makes a thorough analysis of key factors, and devises the most appropriate strategy to execute the project and achieve the project goals.

About Fontainburg

Fontainburg is a Greater China-focused boutique financial and strategic investment advisory firm founded and managed by experienced professionals with expertise in the fields of capital markets, corporate finance, economics, and management and an unparalleled knowledge of the Chinese markets. We are an independent firm with no affiliations with any entities which would impact our ability to be completely unbiased in our advice to our clients.

The members of the Fontainburg Team have accumulated a vast amount of capital market experience in both China and internationally and are adept at working closely with Chinese and international clients to provide innovative solutions. All of our core team members have at least 10 years of practical experience in providing world-class services in the areas of restructuring, IPO, private placement, M&A, equity transfer, debt disposal, direct investment, strategic advisory, and financial training.

Fontainburg has offices in the major financial markets within China and internationally, including Shanghai, Hong Kong, and Singapore.

⇒ **Core Values**

Intellectual Capital: At Fontainburg, our most important asset is our people and their acquired knowledge. We work to attract and retain the brightest people and provide them the platform to further develop their skills and achieve their career goals. We encourage creativity, free communication and team spirit to achieve team goals.

Commitment to Excellence: We are dedicated to achieving excellence in every aspect of our business. We focus on quality and give every client and every project the attention they deserve.

Integrity: Professionalism.....dedication.....commitment.....trust. The integrity of the firm is of the highest importance and we conduct our business by adhering to the highest level of ethical standards.

Client-focus: We approach our business relationship with our clients as a partnership. We aim to develop long-term relationships and deliver value to create a win-win situation.

⇒ **Fontainburg Team**

At the heart of Fontainburg is our team of talented professionals and their multi-cultural background and experience. The core team members specialize in at least two areas and complement each other in a synergistic manner. The great majority of our core team members has been educated overseas and in China and speaks at least two languages. Moreover, all of our core team members have more than 10 years of professional experience with highly respected Chinese and international companies.

This unique combination of a multi-cultural, multi-lingual, and multi-specialization team makes it possible to develop value-added solutions for our clients within our areas of expertise.

Detailed biographies for our core team members are available on our website at www.fontainburg.com.

⇒ **Advisory Board**

The Fontainburg Advisory Board brings a wealth of professional experience, industry knowledge, local market expertise, and an unrivaled know-how of getting things done in China. It is comprised of leaders of State-owned Enterprises (SOEs), international professionals with expertise in the Chinese markets, leaders of Multinational Corporations (MNCs) and in addition draws upon well-established relationships with various government entities.

The opinions and guidance of the Fontainburg Advisory Board in areas such as finance, strategy, accounting, legal expertise, and regulatory issues is a valuable resource for Fontainburg as well as our clients.

⇒ **Competitive Advantages**

China Execution Experience: We do more than advise our clients on the most appropriate solutions to solve their problems and meet their goals- we assist them in the execution. Fontainburg's senior team members have over 100 years combined professional execution experience in areas such as international investment banking, M&A, corporate finance, and strategic investments. Fontainburg will assemble a high-caliber team with proven China experience to identify the most appropriate solutions to your problems and follow through to the execution phase.

Trustworthy International Team: Our senior team members all have international backgrounds and a reputation for integrity and for delivering results. They have been educated and have extensive professional experience living in various countries throughout Asia, Europe, and North America. As such, they are acutely aware of cultural and language nuances in working in a global market in addition to having a deep-rooted understanding of China's industry dynamics and social value system. With a clear understanding of our clients' needs we have been able to combine our global outlook with our detailed local knowledge and find the most appropriate solutions to our clients' problems. In doing this, and by forging long-term relationships with our clients, we have gained their trust.

Cross-border Networks: A network of professional resources and strategic partners are valuable assets, particularly in China where business relationships are of heightened importance. Our networks span China's provincial borders as well as global borders and include industry professionals, professional services providers, government relationships, and strategic partners. Combined with our experience and expertise in the Chinese markets, these relationships provide our clients the avenue by which to access opportunities not easily recognized in the vast and dynamic Chinese markets.

Agile & Adaptable: China's legal and regulatory environment is changing at a very fast speed. The combination of Fontainburg's flexible organizational structure and multi-skilled, multi-cultural team enables it to be agile enough to adapt to this dynamic environment as well as to our clients' needs. In addition, together with our extensive network within China, our professionalism and entrepreneurial spirit allows us to keep abreast of changes as they are occurring and adjust our recommended client solutions to reflect these changes.

Single Point of Contact: By leveraging the above competitive advantages, Fontainburg is able to be your single point of contact to execute your China strategy.

Our Services

Fontainburg aims to provide world-class integrated solutions to assist our clients in improving shareholder and enterprise value. We do this by forming long-term partnerships with our clients, by leveraging our competitive advantages, and by focusing on areas and industries where we can add the most value in the most efficient manner.

⇒ **M&A**

Following China's entry into the WTO, the regulatory environment has seen significant changes in the transition to a market economy including more liberal foreign ownership laws. As such, it is becoming more attractive for foreign investors to pursue M&A opportunities in China in order to confront severe competitive pressures which are now largely driven at the global level as well as to position themselves for future growth. However, the nature of the M&A process in China is such that significant risks exist in all aspects of the process. By working with our clients, whether they are on the buy-side or sell-side of the transaction, we can help identify these risks and in most cases reduce them to acceptable levels. We can provide the following services:

- Manage and coordinate the entire M&A process including assisting in the selection of professional service providers
- Design, coordinate and execute the M&A plan
- Analyze motivation and strategic rationale to pursue an M&A plan
- Evaluate and prioritize M&A targets
- Coordinate and execute all aspects of the due diligence process
- Appraise M&A targets
- Identify, analyze, and develop an M&A risk factor control strategy
- Strategize, select, and execute the M&A financing plan
- Identify and establish the ideal legal structure for the transaction
- Analyze and optimize tax considerations for the transaction
- Formulate a negotiation strategy and perform negotiations with potential suitors on behalf of our client
- Design plans for pre-merger and post-merger integration

⇒ **Strategic Advisory**

In most cases M&A is not the only, and often not the most ideal, solution for foreign companies wishing to capitalize on China's competitive labor costs or gain access to the most populous country's consumer market. This is true for foreign newcomers to the Chinese markets as well as for those already with a presence in China. By working with our clients, we can help identify the most suitable option for their "China Strategy" and assure its integration with the company's overall strategy. We can develop a forward looking and executable plan which takes into account resources, market conditions, macro-economic outlook, regulatory issues, and risks. More importantly, **we can execute this plan for you!** Our services in this area include:

- Industry and market analysis
- Competitive analysis and product positioning
- Technology transfer
- Long-term sourcing
- Supply chain analysis
- Greenfield vs. M&A trade-off studies
- Identify a sustainable business development strategy

- Build value-added strategic alliances
- Strategic partner pre-screening and comprehensive due diligence

⇒ **Private Equity Advisory**

Many international private equity firms are now committing funds to the China market to take advantage of the enormous growth potential of the industry. However, they are also finding difficulties in navigating the inherent inefficiencies of information flow and addressing the heightened importance of risk management in the Chinese market. By working with our clients, we can help uncover the myriad of opportunities which exist in the inefficient Chinese private equity market and manage the associated risks.

Our experience and knowledge base allows us to serve various investment disciplines such as buyouts (including MBOs and LBOs), venture capital, real estate, leveraged finance, and private investments in public entities (PIPEs).

Our services in this area include:

- Design and execute investment plan
- Deal Sourcing
- Establish investment screening criteria
- Evaluate and prioritize investment targets
- Due diligence on investment targets
- Valuation of investment targets
- Assist or represent clients during negotiations with investment targets
- Deal structuring
- Exit strategy advisory

⇒ **Corporate Finance**

While the majority of our restructuring and corporate finance clients are local Chinese entities, Fontainburg is able to leverage its execution experience in this domain for foreign clients as well. Specifically, by using its knowledge and capital market network we are able to complement other typical services, such as M&A, to offer our clients a custom solution which best fits their needs. For example, after going through a strategic plan and deciding on an acquisition of a local Chinese company, the screening process may reveal there are no ideal targets or that the best targets are unwilling to agree to an acquisition or other strategic alternative. In this instance, Fontainburg can turn the “less ideal” candidates into ideal candidates by one or more restructuring and/or corporate finance transactions. Our services in this area include:

- Corporate restructuring
- Transformation of State-owned Enterprises (SOE's), or corporatization
- Spin-off or divestiture of non-desirable assets
- IPO or follow-on offerings
- Private placement of securities
- Non-performing loan (NPL) restructuring
- Debt disposal

⇒ **China M&A Taskforce**

Completing an M&A transaction in the Chinese market can be an extremely frustrating experience:

- Numerous government approvals or "Chops"
- Lack of sufficient connections or "Guanxi"
- Insurmountable language barrier
- Extreme culture clash
- Difficulty in managing time difference

Given the nature of the associated costs and resource investment required, most companies cannot substantiate the need to maintain a dedicated staff to pursue their "China Strategy".

Fontainburg can offer you a "China M&A Task Force" dedicated to completing your specific mission for M&A or other intended transactions:

- Professional team with international experience
- Network of local professionals and government entities
- Attentive to international cultural differences
- Execution expertise
- In-depth market knowledge
- Superior language skills
- Proven track record

With the assistance of Fontainburg, your goals are within your reach!

Credentials

Fontainburg and its team members have accumulated extensive experience working with a diverse client-base across various capital markets in China as well as internationally. Our proven China expertise and deep knowledge in project execution gives us the ability to deliver complete, comprehensive value-added solutions to our clients. Supported by our extensive network, Fontainburg works closely with our clients to understand their needs, makes a thorough analysis of key factors, and devises the most appropriate strategy to execute the project and achieve the project goals.

⇒ **About Our Clients**

Fontainburg's clients are both local Chinese and international in nature and are structured to operate within various economic environments and under various ownership structures. In addition to the multitude of local Chinese clients, our foreign clients include:

- Sino-foreign joint ventures
- Private equity investors
- Multi-national corporations
- Foreign Small and Medium Enterprises (SME's)

By understanding the complex nature of the requirements of Chinese clients, as well as the dynamic competitive environment in our areas of expertise, Fontainburg is able to offer foreign clients a local solution to a global problem.

⇒ **Industry Focus**

Fontainburg's competitive advantages are complemented by our focus on areas and industries where we can add the most value. While we can add value in some capacity in various industries, our principal focus is in the following industries:

- Financial and Investment
- Telecommunications
- Industrial / Manufacturing
- Automotive
- Infrastructure
- Consumer Goods
- Real Estate

⇒ **Successful Cases**

Fontainburg has successfully completed numerous M&A, strategic advisory, private equity advisory and corporate finance assignments. As we are bonded by the confidentiality agreement with our clients, we are not in a position to reveal their names. However, we are pleased to provide a general overview of some recent cases to demonstrate some typical issues our clients have encountered and what solutions Fontainburg has provided on our website at www.fontainburg.com.

Client	Industry	Mandate	Fontainburg Role
Leading European Automotive Parts and Components Company	Automotive / Industrial Machinery	China investment strategy in the earthmoving machines & tractor industry	Investment Advisor
European Private Equity Firm	Finance / Manufacturing	Market study of China's extrusion dies market	Strategic & Investment Advisor
Leading Global Luxury Consumer Goods Group	Luxury Consumer Goods	China business development strategy and market research	Strategic Advisor
Leading Refrigerated Food Supply Group in the Middle East	Refrigerated Foods / Logistics	China investment & acquisition strategy for the cold chain industry	Investment Advisor
Leading Hong Kong Construction Corporation	Construction	China acquisition strategy, target screening and negotiations	Investment & Financial Advisor
Top Chinese State-owned International Bank	Banking / Finance	Disposal of a controlling equity stake in an EJV Commercial Bank in China	Project Coordinator & Financial Advisor
Leading Chinese Telecom Equipment Manufacturing Group	Telecom	Corporate restructuring and int'l private placement	Project Coordinator & Financial Advisor
Chinese Infrastructure Company listed on the Shanghai SE (SSE 180 Index Constituent)	Infrastructure	Assets and operational restructuring, IPO	Financial Advisor

⇒ **Execution Experience**

In addition to the multitude of successful cases Fontainburg has completed, its team members have amassed a long list of successfully completed assignments before joining the Fontainburg team. These assignments include planning, coordinating, and managing projects in the areas of restructuring, IPO, private placements, M&A, business development strategy, equity transfers, debt disposal, and direct investment. These projects were realized in capital markets around the world including mainland China, Hong Kong, the Netherlands, Germany, the United Kingdom, the U.S., and Singapore.

A partial list of successful projects follows:

Industry	Client	Mandate
Banking / Finance	China State-owned Bank	Due Diligence for Restructuring of Int'l and Domestic Investment
	Ministry of Finance, China	Int'l Advisory, First Set of PRC Accounting Standards for Business Enterprises
	IFC (Thailand)	Assets/Equity Restructuring, Equity/ Jr. Convertible Bonds, USD 150 mln
	Finance One	Thailand Convertible Bonds Offering, USD 100's mln
	PT Bank Negara Indonesia (Persero) Tbk	Floating Rate Note, USD 100 mln
	Bank BDNI	Floating Rate Note, USD 200 mln
Consumer Goods	French Luxury Goods Co.	Chinese Market Strategy Planning
	Henkel group (German)	Acquisition of Equity from SOE's and Private Owned Companies
	Leading European Wholesaler	Strategic Sourcing Advisory
	French Luxury Fashion Co.	Identify Strategic Investor for Luxury Brand
	RFM Group	Philippine Strategic Sales, USD 100's mln
Telecom / IT	Eastern Communications	Assets and Operational Restructuring of SOE, B-share Int'l Private Placement, USD 80 mln
	US IT Company	US Silicon Valley Venture Capital/ Direct Investment Advisor, USD 10's mln
	ONFEM Holdings	Investment Advisor for HK Listed Company, E-commerce, USD 10's mln
	China Mobile (HK)	Red-chip, Global IPO & Int'l Placement, USD 4.2 bln
	China Mobile (HK)	M&A Financing, USD 850 mln
	China Unicom Media	Assets Restructuring, Int'l Private Placement, USD 10's mln
	APT Satellite	Red-chip, HK/NY IPO & Int'l Placement, USD 190 mln
	PT Telkom	Indonesia IPO of State-owned Equity, USD 1's bln
	Telekom Malaysia	Indonesia Convertible Bond Offering, USD 100's mln
Infrastructure /Transportation	Guangzhou Shenzhen Railway	N/H Share, NY/HK IPO & Int'l Placement, USD 420 mln
	China Eastern Airlines	N/H share, NY/HK IPO& Int'l Placement, USD 282 mln
	Hong Kong Listed Infrastructure Company	Investment Advisor, Financial Advisor
	Guangdong Electric Power Development	B-share, Int'l Private Placement, USD115 mln
	PT Citra Marga	Indonesia Debt Restructuring, USD 100's mln
Others	Leading French Chemical Co.	China Market Strategy; Advisor
	Tianjin Development	Red-chip, HK IPO & Int'l Placement, USD170 mln
	PT Bukit Asam	Indonesia M&A, IPO of State-owned Equity, USD 100's mln
	PT Gulf Indonesia	Indonesia Equity/Equity Linked Security Offering, USD 100's mln
	PT Bentala	Indonesia Strategic Sales, USD 100's mln
	PT Tambang Timah	Indonesia IPO of State-Owned Equity, USD 100's mln
	PT Aneka Tambang	Indonesia IPO of State-Owned Equity, USD 100's mln
	Tipco Asphalt	Thailand Convertible Bonds Offering, USD 10's mln
A Leading B-school	M&A Training Course	

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