

Shanghai Proudly Opens the Expo Doors to the World

THE WORLD EXPO 2010 OPENS ON MAY 1ST FOR SIX MONTHS.

As to be expected in China, the numbers involved are huge: 70 million visitors are forecasted and an equally record-setting 190 countries and more than 50 international organisations are involved. Shanghai's infrastructure has been frantically upgraded – following the EXPO motto "Better City, Better Life" – with enormous investments in new subway lines and highways. Many of the individual country pavilions trump previous EXPO contributions, as everyone rushes to present themselves to the Chinese spectator crowds.

From the corporate perspective, the EXPO provides a unique marketing opportunity as many multinationals invest big budgets into sponsoring events, pavilions or even as partners for the entire expo, such as the German industrial giant Siemens. But medium-sized and smaller companies can possibly benefit from the EXPO too. For one, consumer-oriented industries can directly profit from the exposure gained from predominately Chinese visitors. The EXPO can also be utilised for business and government relation-building and for smaller budgets with a focused presence.

In this respect, Fiducia can contribute to the success of your Expo event with presentations or briefings based on our China business insight. In order for clients to choose topics or speakers, we have put together a brochure with profiles of Fiducia consultants who regularly take part in conferences, seminars, workshops and other specially organised events on a broad range of topics, which you can view at: <http://www.fiducia-china.com/china-insights/events-networking/fiducia-event-speaker-profile>. Feel free to contact us and discuss how we can support you.



The German pavilion at the Shanghai World Expo.

Many pavilions at the EXPO offer VIP lounges, seminar rooms or hospitality facilities. Here, we will concentrate on a brief overview about different options available in the context of German-speaking countries.

Among the country pavilions at the EXPO that are open to corporate events are the Austrian and the Swiss pavilions. The multi-functional VIP lounge of the Austrian pavilion

can host up to 100 guests for a cocktail reception or alternatively be used as a conference area, a dinner venue or a networking lounge. At this pavilion, authentic Austrian cuisine is provided by renowned local Chef Ewald Poersch. For bigger events with up to 250 guests, the pavilion restaurant and the roof terrace with a combined area of over 600m² can be used exclusively. Austrian companies and institutions do not have to pay rent for using the VIP lounge, however donations for the pavilion cooperation project with SOS-Kinderdorf are welcomed.

Fiducia will be hosting an exclusive event with up to 100 clients at the Austrian Expo Pavilion on June 29th at the Austrian pavilion; please contact us if you would like to know more.

The Swiss pavilion promises to draw large crowds with a circular chair lift and a double-helix system of ramps linking urban and rural areas. It also offers a VIP lounge, which is situated on the top section of a built-in IMAX cinema which can host approximately 40 participants. Helvetian delicacies such as cheese, chocolate and wine can be served alongside presentations or events. Events can be organised through Praesenz Schweiz or event management agency Larich, which also offers tours to various neighbouring European pavilions in a package, as well as privileged access to the EXPO area and the pavilions themselves. Most weekend events are already booked out for the entire duration of the EXPO, but there are still opportunities to be a host on weekdays and a few remaining weekend timeslots.

Another Helvetian project at the EXPO is the common city pavilion of Geneva, Zurich and Basel in the Urban Best Practices Area on the western bank of the Huangpu river. Germany has a multi-faceted presence at the EXPO. Next to the German Pavilion "balancity" and the only bilateral site project "Germany and China – Gemeinsam in Bewegung" (moving forward together), there is also the innovative state-of-the-art Hamburg House in the Western area (located opposite the country pavilions). Close by in the Urban Best Practices Area, the cities of Duesseldorf, Bremen and Freiburg show their presence.

The German pavilion does not include a separate facility to hold events or VIP receptions aside from the restaurant area itself. Corporate events can, however, be held at the site of the German Centre that is also part of the German EXPO "balancity" concept, or at the Hamburg House. Built with latest technology to minimise the demand for external energy, the Hamburg House truly embodies the

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EXPO motto of “Better City, Better Life” through its focus on modern urban concepts. It is one of the few objects built for the EXPO that will not be torn down. Next to its exhibition space it also features a multi-functional event space and a VIP Lounge, which is available to the Hamburg House sponsors and also other interested private or corporate parties. The 140m² event space comes with standard technical equipment and can be used with or without seating for seminars, discussion panels or presentations. The VIP room is 110m² with a separate reception for drinks and food service, and as long as the weather permits, the roof terrace of the Hamburg House can also be used. Events can be booked for the time after mid-June through the Hamburg Messe und Congress GmbH in Hamburg or via the Hamburg Liaison Office in Shanghai with at least two weeks notice in advance. Hamburg-related events and projects are open to receive financial support.

Shanghai’s infrastructure has been frantically upgraded – following the EXPO motto “Better City, Better Life”

The German Centre Shanghai and the German Chamber in Shanghai have teamed up under the German EXPO concept “balancity” to create “Experience the Quality of Life” at the German Centre location in Pudong, around 15 minutes from the World Expo site. An area has been developed to cater for the German business community there, offering facilities for events, delegations and even a number of company-sponsored pavilions on its perimeter. Some highlights include the futuristically shaped German Energy Center & College Pavilion – also a low-energy project and display of German green technology, just as the neighbouring and likewise energy-efficient Pavilion of

Innovations. Both pavilions feature separate rooms that can be used for seminars and presentations.

Auto enthusiasts old and young can enjoy test-driving the latest electric-drive technology in BMW Minis or compete on Carrera race tracks. Overall, company pavilions provide attractions for all tastes and ages. While security concerns are taken care of, the area is not as rigidly secluded and cordoned off as the EXPO site itself, allowing for a more family-friendly environment.

Delegations can be hosted at the adjacent restaurant or with the on-site catering service at the pavilions. The service offering is supplemented by the facilities of the German Centre, which provide for 5 conference rooms and serviced apartments of different sizes.

Event calendars can be accessed online on the EXPO-website of the German Centre or through the German Chamber. Peak times for delegations and corporate events are throughout May until mid-June, the best time to organise an event or delegation would be September to early October.

Many delegations are organised with a regional focus by various local chambers of commerce; in the case of Germany, many visits are organised in conjunction with the German federal state days at the EXPO.

Another way to ease the financial burden of an EXPO appearance lies in multi-company events, the more focused if they target a specific group or industry sector. One example of such a sector-wide coordinated campaign is the green technology initiative Econet-China, other sectors that would lend themselves to cooperations could, for example, include design and luxury-oriented projects.

The Black Box Concept with Mike Bellamy

RECENTLY CHINA FOCUS HAD THE OPPORTUNITY TO SPEAK TO MIKE BELLAMY, FOUNDER & CHINA OPERATIONS DIRECTOR OF PASSAGEMAKER, A US OWNED CHINA BASED SOURCING AGENCY PROVIDING VENDOR COORDINATION SERVICES. HE MOVED TO ASIA IN 1994 AND HAS STRUCTURED SOURCING INVESTMENTS IN OVER 200 PRODUCTION CLASSIFICATIONS FOR US AND EUROPEAN CLIENTS DURING HIS TIME IN CHINA. MIKE HAS DOUBLE DEGREES IN DIPLOMACY AND ECONOMICS AND AN INTERNATIONAL MBA FROM THE UNIVERSITY OF SOUTH CAROLINA.

CF: What is the Black Box Concept?

MB: Put simply, the Black Box Concept is designed to protect the intellectual property of our clients by having semi-finished or finished products delivered to our facility and behind closed doors, where we do the final branding or final assembly and inspection. In that way, the sub suppliers don’t see the finished product and it’s much harder for them to steal the ideas.

CF: What kind of products can this concept be applied to?

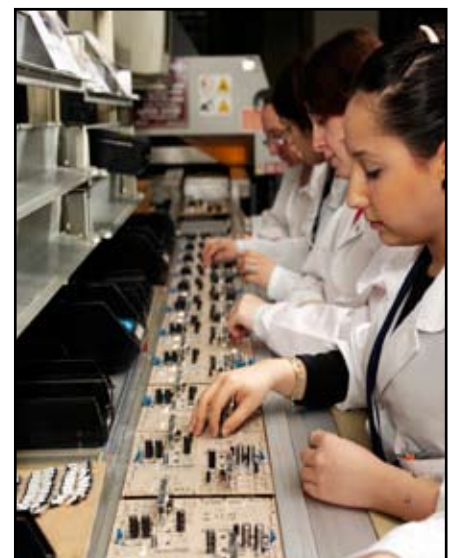
MB: We use the concept for everything from electronics to toys, from medical equipment to weapons and everything in between. So a wide range of projects, but they all have three things in common.

1. Everybody wants the China price, no matter what industry you’re in, that is important.

2. The Black Box makes sense if the customer is worried about intellectual property protection, controlling who has access to their ideas.
3. And the third factor is quality control, because we’re touching the product to assemble it - taking widget A and putting it in a box to make product B. Since we’re touching it, it’s very easy to inspect 100% of components at no extra cost, because the labour is the same, looking at something and checking the quality while you’re packaging it.

CF: When and why did you come up with this concept?

MB: I wish I was smart enough to come up with it on my own. In the beginning when I was starting Passage-Maker almost a decade ago, we were serving primarily as an advisor, helping research suppliers and make suggestions about quality control. And then one of my customers had some really



Protecting intellectual property.

unique packaging and he didn't want to share the packaging design with the Chinese supplier of the components for fear of being knocked off, so he asked me to put some people together in our warehouse and start doing assembly and inspection for him. So once we did that, our company grew from a few people to the 150 we have now doing assembly and inspection for a range of products including hardware, electronics, toys, car parts and even medical equipment.

CF: Since its inception, how has it been accepted in the market? Has it been adopted, developed and widely used?

MB: I think the problem is that unlike a doctor or a lawyer or a consultant, people just don't realise that this service is out there. So we have to go out of our way to explain it as it can be a little bit complex at first. In terms of its adoption, there are a lot of trading companies out there and a lot of warehousing companies but I don't know too many foreign owned companies, like us, based in China offering this service. So it seems to be unique.

CF: What are your "tricks of trade" to ensure success?

MB: That's a good question, because it sounds simple: you just have a warehouse and some people assembling things, but in reality you guys at Fiducia know how important and difficult it can be to structure the business licencing in a way that allows our WFOE (Wholly Foreign Owned Entity) to legally do the things that we're doing. So we have a trading WFOE and a manufacturing WFOE and that gives us the flexibility to process a range of goods. We need the latter for activities that the Chinese government would perceive as manufacturing: a Bill of Components and Material come into the Black Box and something new comes out the other end- that's manufacturing. So we have a manufacturing WFOE with a wide scope of business including toys, car parts, fabric and others, in total 45 codes long. If a product comes into our warehouse and maybe only needs packaging wrapped around it, or the addition of a barcode or a proprietary logo, in the eyes of the Chinese government, that's not manufacturing, but rather is considered trading. Certainly one of the tricks of trade is that we have our business licence set up in the right way so we can import and export and process the VAT on behalf of our customers. In

addition, we have the people, quality manuals, and training, but we also have physical infrastructure and all that is 100% under American ownership. This ensures that no local suppliers compromise or steal your ideas.

"Our niche is to have some well trained Chinese staff but our middle and top management are Westerners"

Mike Bellamy, PassageMaker Founder & Director

CF: What role does your team and the team composition play?

MB: Almost all of our customers, except for a few in Hong Kong and Taiwan, are Western and as diverse as Australian, Canadian, all over Europe, adding a few from Africa and recently, India. So we have a wide range of customers from around the world but they all want that American level of service at a Chinese price. Our niche is we have some well trained Chinese staff but our middle and top management are Westerners – people that speak both languages but may have an MBA or engineering degree from back in the US, and have been living in China for at least 5 years.

CF: How does the work that PassageMaker do link in with Fiducia's work?

MB: Fiducia is excellent at helping foreign companies set up their operations in Hong Kong for controlling their supply chain in China and Asia, and we recommend our customers that want a permanent foothold in Asia, especially the customers that want to set up their own offices, to Fiducia. On occasion, Fiducia's Hong Kong clients may like to have operations in China and perhaps would like to have a Black Box, but are not ready to set up their own operations immediately. We have been able to provide some mid term and short term services when the customer wants to outsource it's assembly. We can use our own Black Box in China in coordination with the purchasing office that the client has set up in Hong Kong – so all of the good and none of the bad.

Valourie Xuan is actively searching

FIDUCIA RECENTLY WELCOMED VALOURIE XUAN TO THE EXECUTIVE SEARCH TEAM IN SHANGHAI. SHE APPROACHES HER NEW ROLE WITH ZEAL AFTER ACCUMULATING 10 YEARS OF EXPERIENCE IN EUROPE AND CHINA.

Valourie began her career as a Business Development Manager in a Contract Procurement and Management company in Switzerland for seven years. Upon returning to her hometown of Shanghai, she joined an Executive Search firm focusing on IT industry senior management positions, as an Associate Consultant supporting senior professionals in their career development. Her passion for her work was evident and within two years she was promoted to Senior Consultant at a leading consulting firm in Benelux. She quickly established herself as a respected and credible consultant in identifying and placing qualified candidates in Senior Management positions in multinational companies.

Such experience places her in good stead now that she is embarking on her challenging new role at Fiducia which involves delivering qualified candidates to clients, the

management of the recruitment process for every job assignment and establishing a business relationship with new potential clients.

She has deep insight for clients' needs, an excellent judgement of people and seems to enjoy her chosen career as much as a hobby by consistently developing her knowledge and understanding of trends in marketing, psychology, sociology and industry sectors.

China Focus asked Valourie how she would approach the Executive Search process, and she responds, "The process I will follow includes: devising a search strategy for job assignments; executing the strategy to identify, assess and recruit the most



Valourie joins Executive Search team.

9th – 12th May “AGN International Asia Pacific Annual Regional Conference 2010”, AGN International, Guangzhou China

The conference will have training sessions specifically organised on US auditing and accounting topics ranging from risk assessments to latest developments in US accounting standards. Fiducia has been a member of AGN International since 2004 and this year, will be sending a group of managers to attend the conference.

10th May, China delegation briefing at the German Centre, Shanghai

During the China-Insight delegation trip of Chinaforum Bayern e.V. to Shanghai, Christian Groeger will give a China briefing at the German Centre in Pudong from 12-1pm.

19th May, “How to Keep Your Business on the Balance”, Sparkasse UnternehmerKonferenz 2010 (Entrepreneurs Conference), Nuernberg, Germany

Learn about the latest trends in current business topics in a number of presentations that aim to deliver practical and useful business knowledge as well as provide a unique networking opportunity for entrepreneurs and managers. At the full day conference, organised by the savings bank in Bavaria, Fiducia's Managing Director Juergen Kracht will jointly with Sophia Schmid of our partner company Dr. Schaffer & Partner discuss the topic: “Vertriebsprovision oder Bestechung? Faktische und legale Aspekte einer Gratwanderung am Beispiel der Corporate Governance in China”. At the end of the full day conference the Bavarian Entrepreneurs Award will be awarded. More information at www.unternehmerkonferenz.de.

20th May, first part of “China Manager IHK”, Chinaforum Bayern e.V. and IHK Nuremberg, Munich Germany

Germany's most extensive management training course on China and the Chinese economy, “China Manager IHK”, begins in Munich on May 20th, 2010. Organized by Chinaforum Bayern e.V. and IHK Nuremberg the program consists of 6 parts with 2 training days each. The target group is executives from Bavarian companies already doing business in China as well as company representatives thinking about entering the Chinese market. With the support of the European Union the seminar fees amount to EU890 for the entire program. Thaddaeus Mueller will conduct one of the training sessions. For further information, please visit: www.chinaforumbayern.de/de/chinaseminar-china-manger-ihk.html

25th May, Fiducia Shanghai Office Warming Party, Shanghai, China

Fiducia welcomes you to our Office Warming Cocktail Party from 6.30 - 9.30pm at our new Shanghai office: Unit 1907-1910, Central Plaza, No. 227 Huangpi Bei Lu. Please RSVP by 20th May to +86 21 6327 9118 (ext.101) or email contact@fiducia-china.com, providing your full name and company.



qualified professionals through a multi-sourcing strategy; track recruiting project milestones and deliverables; train and coach Associate Consultants and Researchers, and contribute to building Fiducia brand and profitability”.

In her new role which utilises all of the skills she has obtained in various stations in Europe and Asia, she says “I see this as a great opportunity to continue to work towards Fiducia's goals. The Chinese economy has turned upward from the previous year and a lot of European companies have increased their investment in China. The final competition among enterprises is the competition for talented persons. By identifying and placing the right talents for clients will promote their long term expansion and help their businesses prosper in China”.

Regional China Insights

FIDUCIA IMPARTS ITS INSIGHTFUL KNOWLEDGE OF CHINA'S VAST AND COLOURFUL LANDSCAPE IN OUR COMPREHENSIVE SET OF CHINA PROVINCE REPORTS.

Each report introduces and looks in detail at the geography, main industries and productions, infrastructure, areas for development and industrial parks that each province within China has to offer. The updated reports give a complete overview of the region and may even unveil unique opportunities. It is a free and easily accessible resource which is currently downloadable from Fiducia's website at: www.fiducia-china.com/china-insights/china-provinces-map



A free and handy resource available from the Fiducia website.

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